



**NOTICE CONVENING ANNUAL GENERAL MEETING OF MEMBERS
OF
AZURE POWER INDIA PRIVATE LIMITED (“COMPANY”)**

Notice is hereby given that the **15th Annual General Meeting (“AGM”)** of the Members of Azure Power India Private Limited (“Company”) will be held on **Monday**, the 12th day of February 2024, at **05:30 P.M. (IST)** at the registered office address at Unit no. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017 to transact the following businesses:

A. ORDINARY BUSINESS ITEMS

1. TO CONSIDER AND ADOPT THE ANNUAL REPORT OF THE COMPANY FOR THE PERIOD ENDED ON 31st MARCH 2022

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Standalone and Consolidated Financial Statements for the period ended on 31st March 2022, together with the schedules and notes attached thereto, along with the Reports thereon of the Director’s and the Auditor’s, as circulated to the Members and laid before the meeting be and are hereby considered and adopted.”

2. TO RE-APPOINT RETIRING DIRECTORS

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

3.1 **“RESOLVED THAT** Ms. Delphine Voeltzel be and is hereby re-elected as Nominee Director on the Company’s Board of Directors.”

3.2 **“RESOLVED THAT** Mr. Sugata Sircar be and is hereby re-elected as Executive Director on the Company’s Board of Directors.”

By order of the Board of Directors
For **Azure Power India Private Limited**


Kapil Sharma
Company Secretary*

Membership No: A37154
Address: EA-175, Second Floor
Inderpuri, Delhi-110012

Date: 12/01/2024
Place: New Delhi

Azure Power India Private Limited

CIN: U40106DL2008PTC174774

Corporate Office: 8th Floor, Tower A, DLF Infinity, Cyber City, Phase II, Gurugram-122002, Haryana

Regd. Office: Unit no. 409 & 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017



Corp. Off.: 0124-4155755



Regd. Off.: 011-49409800



cs@azurepower.com



www.azurepower.com



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY, SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The registers maintained by the Company and other relevant documents in connection with the matters to be resolved at the meeting will be available for inspection during the meeting.
3. The members/proxies should bring their attendance slips sent herewith, duly filled in for attending the meeting.
4. Entry in the meeting hall shall be strictly restricted only to the members/valid proxies carrying the attendance slip.
5. The route map for the venue of the meeting is enclosed.

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Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U40106DL2008PTC174774

Name of the Company: Azure Power India Private Limited

Registered office: Unit no. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017

Name of the Member(s):
Registered address:
E-mail Id:
Folio No/ Client ID:
DD ID:

I/ We being the member of Azure Power India Private Limited, holding _____ equity shares, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:
or failing him

2. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of members of the Company for financial year 2021-22, to be held on **Monday**, the 12th day of February 2024, at **05:30 P.M. (IST)** at Unit no. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017, and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Resolution No. 1

To consider and adopt Annual Report of the Company for the period ended 31 March, 2022.

Accepted	<input type="checkbox"/>
Rejected	<input type="checkbox"/>

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2. **Resolution No. 2**
To re-appoint retiring Directors

Accepted

Rejected

Signed thisday of.....2024

**Affix Revenue
Stamp**

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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ATTENDANCE SLIP
(To be presented at the entrance)

(15th Annual General Meeting for FY 2021-22 on Monday, 12th February 2024 at 05:30 PM (IST) at Unit no, 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017)

Folio No./DP ID & Client ID:

No. of shares held:

Name & Address of the Member:

Signature:

Name of the Proxyholder:

Signature:

I hereby record my presence at the 15th Annual General Meeting for FY 2021-22,

Signature of the attending Member/Proxy

Notes:

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Notice for reference at the Meeting.

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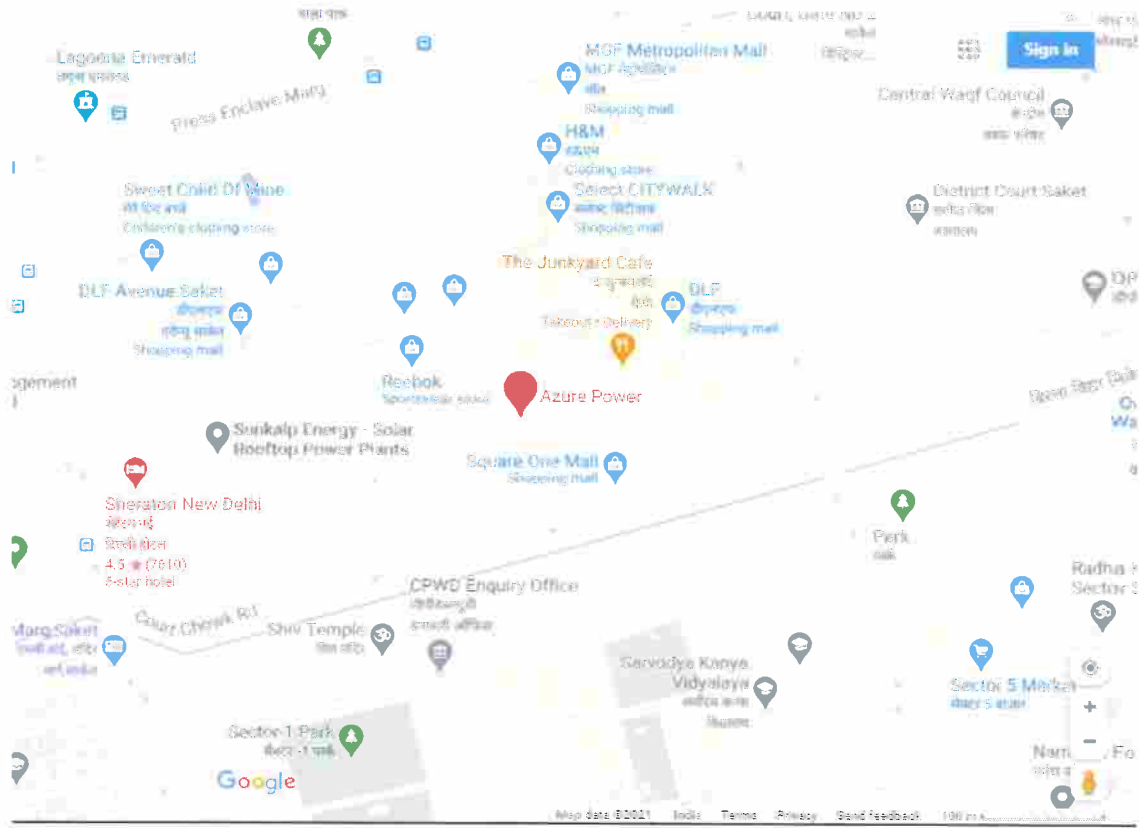
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ROUTE MAP



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Board Report

To
The Members,
Azure Power India Private Limited

Your directors have pleasure in submitting Annual Report of the Company on the business and operations along with the audited financial statements for the financial year ended on March 31, 2022 (the “year under review”).

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Company’s financial performance as on March 31, 2022, is summarized as follows:

Particulars	For the year ended on March 31, 2022 (INR in Lakhs)	For the year ended on March 31, 2021 (INR in Lakhs)	For the year ended on March 31, 2022 (INR in Lakhs)	For the year ended on March 31, 2021 (INR in Lakhs)
	Standalone		Consolidated	
REVENUE FROM OPERATIONS				
Sale of Power	24,312	26,319	1,73,134	1,48,902
Construction Revenue	393	923	-	-
Services Rendered	7,660	10,286	495	9
Other operating revenue				
Carbon credit emission income	-	420	7,204	1,029
Total Revenue from Operations	32,365	37,948	1,80,833	1,49,277
Other Income	2,268	3,074	14,775	2,685
Finance Income/Interest Income	18,127	11,261	7,068	4,945
Total Revenue	52,760	52,283	2,02,676	1,57,907
EXPENSES				
Construction, sub-contracting and other site expenses	430	758	-	-
Employee benefits expense	3,046	17,744	6,595	19,153
Depreciation and amortization expense	5,635	10,801	33,439	57,794
Impairment (reversal)/loss	-	-	(626)	8,992
Finance cost	39,391	28,913	1,12,935	96,666
Other expenses	18,699	26,401	47,574	18,287
Total expenses	67,201	84,617	1,99,917	2,00,892
Profit/(Loss) before tax	(14,441)	(32,334)	2,759	(43,985)
Total Tax Expense/ (Tax Benefit)	(5,668)	(3,603)	2,266	(1,502)
Profit/(Loss) after tax	(8,773)	(28,731)	493	(42,483)
Total comprehensive income/ (expense/loss)	(7,722)	(29,343)	1,647	(43,499)

Note: In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of financial statements', the Company has retrospectively restated its balance sheet as at March 31, 2021

and April 1, 2020 (beginning of the preceding period) and Statement of Profit and Loss for the year ended March 31, 2021 for the reasons as stated in the note 46 to the Notes to financial statements for the year ended March 31, 2022.

2. FINANCIAL PERFORMANCE AND STATE OF COMPANY AFFAIRS

Standalone Financial Details:

Total Revenue from operations for the financial year 2021-22 stood at INR 32,365 lakhs, (INR 37,948 lakhs in 2020-21). Net Loss after tax for the financial year 2021-22 was INR 8,773 lakhs as compared to net loss after tax of INR 28,731 lakhs for the financial year 2020-21.

Consolidated Financial Details:

Total Revenue from operations for the financial year 2021-22 stood at INR 180,833 lakhs, (INR 149,277 lakhs in 2020-21). Net Profit after tax for the financial year 2021-22 was INR 493 lakhs as compared to loss after tax of INR 42,483 lakhs in the financial year 2020-21.

3. INDUSTRY OVERVIEW AND REGULATORY MATTERS (INCLUDING IMPORTANT CHANGES IN THE INDUSTRY DURING THE LAST YEAR)

a) Overview of the industry and important changes in the industry

Renewable energy represents a significant and growing industry in India. At the 26th meeting of Conference of the Parties COP-26 climate summit in Glasgow, the Prime Minister of India increased the country's renewable energy target to 500 GWs by 2030, which would represent 50% of the country's energy requirements. Beyond that, the Prime Minister committed India to net carbon neutrality by 2070. India's Nationally Determined Commitments were further tightened at COP-27 in Egypt.

An efficient, resilient, and financially robust power sector is essential for the growth of the Indian economy. Renewable sources of power are cleaner, faster to build and more cost-effective than most traditional sources of power. India's rapidly growing economy requires significant investment in additional power capacity. India is already one of the largest renewable energy markets globally.

Renewable energy has strong government support and the government has designed policies, programs, and a liberal environment to attract domestic and foreign investment to the sector. Initially, the National Solar Mission (NSM) was launched in 2010 as a part of India's National Action Plan on Climate Change (NAPCC) with a view to deploy 20 GWs of solar capacity by FY 2022. In 2015, the targets were revised to 175 GWs by 2022. India has now committed to achieve about 50 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030.

The Indian renewable energy sector is the fourth most attractive renewable energy market in the world, with total installed capacity of renewable power of 131 GWs as of August 2023. India has witnessed one of the fastest growth rates in renewable energy capacity among all large economies, with renewable energy capacity growing from 35.5 GWs in March 2014 to 131 GWs in August 2023, a 269% increase. India's total electricity installed capacity stood at 424 GWs as of August 31, 2023.

Total Installed Capacity (As of August 31, 2023)

Category	Installed Generation Capacity (in MW)	% Share in Total
Coal	206,195	48.60
Lignite	6,620	1.56
Gas	25,038	5.90
Diesel	589	0.14
Total Fossil Fuel (A)	238,442	56.20
Hydro	46,850	11.04
Wind	44,089	10.39
Solar	71,610	16.88
BM Power/Cogen	10,261	2.42
Waste to Energy	570	0.13



Small Hydro Power	4,982	1.18
Nuclear	7,480	1.76
Total Non-Fossil Fuel (B)	185,842	43.80
Total Installed Capacity	424,284	100

Power Consumption

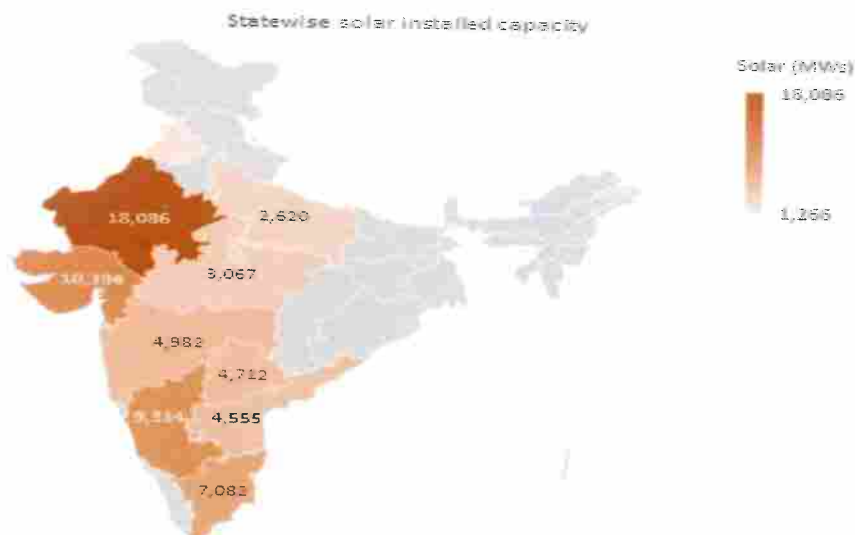
There is huge potential for power demand to grow in India. The country is among the fastest growing large economies, already ranked fifth globally in terms of total GDP. Over the ten year period up to June 2023, electricity consumption and peak demand in India grew at a CAGR of 3.6% and 5.7%, respectively. Annual per capita power consumption in India has also grown significantly from 0.8 MWh in FY 2011 to 1.3 MWh in 2021-22, although it is still among the lowest in the world. According to the International Energy Agency, the annual per capita electricity consumption of India is around 21.7% that of China, which had per capita electricity consumption of 5.98 MWh, and around 9.9% of the United States, which had per capita electricity consumption of 13.07 MWh.

Solar Energy Potential

National Institute of Solar Energy (NISE), an autonomous research and development institution under the MNRE, assesses the country's solar potential at approximately 748 GWs, assuming 3% of the waste land area could be covered by Solar PV modules. Solar energy has taken a central place in India's NAPCC with the NSM as one of the key Missions. The GOI have launched various schemes under the NSM to boost generation of solar power in the country, most importantly procurement of solar power by SECI, but also including initiatives such as Solar Park Scheme, Viability Gap Funding ("VGF") Schemes, CPSU Scheme, Defence Scheme, Canal bank & Canal top Scheme, Bundling Scheme and Grid Connected Solar Rooftop Scheme.

In addition, policies to promote and enable renewable energy have included a Renewable Purchase Obligation (RPO) on certain industries, the waiver of ISTS charges and losses for inter-state sale of solar and wind power, "must run" status, guidelines for procurement of solar power through tariff based competitive bidding process, standards for deployment of solar photovoltaic systems and devices, provision of roof top solar and guidelines for development of smart cities, amendments in building by-laws for mandatory provision of roof top solar for new construction or higher floor area ratio, infrastructure status for solar projects, tax free solar bonds, and providing long tenor loans from multi-lateral agencies.

Solar power capacity in India increased from 2.6 GWs in March 2014 to 71.61 GWs as of August 2023. Refer below for solar installed capacity as of August 2023 for states with highest irradiation:



Wind Energy Potential



In recent years wind power generation capacity in India has increased significantly. Through the National Institute of Wind Energy (NIWE), the GOI installed over 800 wind-monitoring stations across the country and issued wind potential maps at 50 meters, 80 meters, 100 meters and 120 meters above ground level. The recent assessment indicates a gross wind power potential of 302 GWs in the country at 100 meters and 695.50 GWs at 120 meters above ground level. Most of this potential exists in seven states: Gujarat, Telangana, Maharashtra, Tamil Nadu, Madhya Pradesh, Karnataka and Andhra Pradesh.

b) Regulatory Matters

Due to the industry and geographic diversity of Group Projects, operations are subject to a variety of rules and regulations. Set forth below is a brief overview of the principal laws and regulations currently governing the businesses of our Group Companies. The laws and regulations set out below are not exhaustive and are only intended to provide general information to the shareholders and are neither designed nor intended to be a substitute for professional legal advice.

Central Government – Policies and Regulations:

- i) Electricity Act, 2003
- ii) Tariff Determination
- iii) National Tariff Policy, 2016
- iv) Guidelines for Tariff Based Competitive Bidding Process for Procurement of Wind and Solar Power.
- v) Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Projects.
- vi) Guidelines for Tariff Based Competitive Bidding Process for Procurement of Round-The Clock Power from Grid Connected Renewable Energy Power Projects, complemented with Power from any other source or storage.
- vii) Central Electricity Regulatory Commission (Terms and Conditions of Tariff Determination from Renewable Energy Sources) Regulations, 2020.
- viii) National Electricity Policy, 2005.
- ix) Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 (“Grid Code”).
- x) Guidelines for Development of Onshore Wind Power Projects, 2016 (“MNRE Guidelines”).
- xi) Revised Guidelines for Wind Power Projects (“Wind Power Guidelines”).
- xii) Renewable Purchase Obligations
- xiii) Generation Based Incentive Scheme (“GBI Scheme”)
- xiv) Ujwal Discom Assurance Yojana (“UDAY”)
- xv) National Solar Mission (“NSM”)
- xvi) Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008 (“CERC Open Access Regulations”)
- xvii) Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 (“CERC Connectivity & Access Regulations”)
- xviii) Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (“CERC Transmission Charges Regulations 2020”)
- xix) Central Electricity Regulatory Commission (Deviation settlement Mechanism and related matters) Regulations, 2022 (“F&S Regulations”)
- xx) Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021 (“Change in Law Rules”)
- xxi) Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 (“Must-Run Rules”)
- xxii) Electricity (Late Payment Surcharge) Rules, 2022 (“LPS Rules 2022”)
- xxiii) Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 (“Green Energy Open Access Rules 2022”)
- xxiv) Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (“GNA Regulations”)
- xxv) Ministry of Environment - E-Waste (Management) Rules, 2022
- xxvi) Ministry of Environment, Forest and Climate Change - Plastic Waste Management Rules, 2016
- xxvii) Renewable energy certificates (“RECs”)
- xxviii) Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022



- xxix) National Wind-Solar Hybrid Policy (“Hybrid Policy”)
- xxx) Guidelines for Tariff Based Competitive Bidding Process for procurement of power from Grid Connected Wind Solar Hybrid Projects, 2020 (“Hybrid Projects Guidelines”)
- xxxii) Approved Models and Manufacturers of Solar Photovoltaics Modules (Requirements for Compulsory Registration) order 2019 (“ALMM Order”)
- xxxiii) Integrated Day Ahead Market
- xxxiv) Amendments to the guidelines for tariff-based competitive bidding process for procurement of Round-The-Clock (RTC) power from grid-connected renewable energy (RE) power projects, complemented with power from any other source or storage
- xxxv) Guidelines for Procurement and Utilization of Battery Energy Storage Systems as part of Generation, Transmission and Distribution Assets, along with Ancillary Services
- xxxvi) Revised Scheme for Flexibility in Generation of Thermal/Hydro Power Stations through Bundling with Renewable Energy and Storage Power
- xxxvii) Guidelines for Encouraging Competition in Development of Transmission Projects and Tariff based Competitive-bidding Guidelines for Transmission Service, 2021

4. **RISK FACTORS**

The Company actively assesses, monitors and seeks to mitigate risks in its business. Azure Power as a Group have categorized and organized our risk factors set forth below:-

Financial Risks

- Our cash reserves and cash flows may be insufficient to meet our working capital requirements and expansion plans absent further financing. Accordingly, our failure to obtain additional financing on acceptable terms and in a timely manner could materially and adversely affect our financial condition.
- Our failure to deliver our audited consolidated financial statements and the financial statements of our subsidiaries violates covenants in certain of our financing agreements and materially and adversely affect our business, results of operations, financial condition and cash flows.
- Any downgrade of our credit rating may result in increase in interest cost or may trigger covenant defaults under our loan agreements.
- If we fail to comply with financial and other covenants under our loan agreements, our business, results of operations, financial condition and cash flows may be materially and adversely affected.
- Our substantial indebtedness and volatility in interest rates could adversely affect our business, results of operations, financial condition and cash flows.
- We were not profitable in the past fiscal years, and we may not be profitable in the future.
- Fluctuations in foreign currency exchange rates may negatively affect our revenue, cost of sales and gross margins and could result in exchange losses.
- Our operating results may fluctuate from period to period, which could make our future performance difficult to predict and could cause our operating results for a particular period to fall below expectations.

Compliance risks

- We have conducted investigations into whistle-blower claims and other allegations against certain directors, officers and employees and former officers and directors of the Company. We have reported the allegations and our findings to the SEC and the Department of Justice and continue to cooperate with these authorities. Fines and/or penalties by regulatory authorities (including by the SEC, the U.S. Department of Justice and applicable Indian regulatory authorities) could be imposed on the Group.
- We have conducted investigations into whistle-blower claims and learned of other allegations in June, July, and October 2021 against certain directors, officers and employees and former officers and directors of the Company.
- Our international corporate structure and operations require us to comply with anti-corruption laws and regulations of the United States and various other jurisdictions. If we are not in compliance with applicable legal requirements, we may be subject to civil or criminal penalties and other remedial measures.



- Any damages caused by fraud, corruption, or other misconduct by our employees and former employees could adversely affect our business, the results of operations, financial condition and cash flows.
- We have identified material weaknesses in our internal control over financial reporting. If we fail to develop and maintain an effective system of internal controls over financial reporting or if we experience additional material weaknesses in the future, we may not be able to accurately or timely report our financial results, which may adversely affect investor confidence.

Procurement, Supply Chain and Construction Risks

- We may incur unexpected cost overruns and expenses if the suppliers of components in our solar/wind projects delay or fail to deliver solar modules, solar cells and other components or equipment for any reason.
- Our construction activities may be subject to cost overruns or delays which may adversely affect our business, results of operations, financial condition and cash flows.
- We face risks and uncertainties when developing our projects.
- Our in-house procurement and construction operations expose us to certain risks.
- Delays in obtaining, or a failure to maintain, governmental approvals and permits required to construct and operate our projects may adversely affect such projects and our business.
- There are substantial delay between making significant upfront investments in our solar and other renewable energy projects and receiving revenue.

Risks Related to Retention of Management and Key Employees

- The loss of our senior management or key employees may adversely affect our ability to conduct our business.

Offtaker risks related to compliance with the terms of PPAs, delay in payments, and LOAs cancelled

- Counterparties to our PPAs may not fulfill their obligations which could materially and adversely affect our business, results of operations, financial condition and cash flows.
- There are a limited number of strong credit purchasers of utility scale quantities of electricity which exposes us to risk of LOA cancellations, and our utility scale projects to risk.

Power Generation Risks

- Any constraints in the availability of the electricity grid, including our inability to obtain access to transmission lines in a timely and cost-efficient manner could adversely affect our business.
- Maintenance and expansion of power generation facilities involve significant risks that could result in reduced power generation and financial results.

Changes in the political, fiscal or regulatory environment in India.

- A substantial portion of our business and operations are located in India, and we are subject to regulatory, economic, social and political uncertainties in India.
- The regulatory and policy environment affecting the renewable energy sector in India impacts our business.
- Duties on solar equipment imports increase our costs and adversely impact our performance.
- Foreign investment laws in India include certain restrictions, which may affect our future assets sales, acquisitions or investments in India.
- Our ability to raise foreign capital may be constrained by Indian law.
- We are subject to various labor laws, regulations and standards in India. Non-compliance with and changes in such laws may adversely affect our business, results of operations, financial condition and cash flows.
- Changes in the taxation system in India could adversely affect our business.

Health, Safety and Environmental Risks



- Our operations have inherent safety risks and hazards that require continuous oversight and substantial insurances coverage.
- Our operations are subject to governmental, health, safety and environmental regulations, and we may have to incur material costs to comply with these regulations.

Competition Risks

- We may not be ability to acquire rights to develop and generate power from new solar projects through the competitive bidding process.
- We face significant competition from traditional and renewable energy companies.

IT and cyber security risks

- Weaknesses, disruptions, failures or cyber security events in our IT systems could adversely impact our business.

Risks related to project land and the acquisition of land

- We may not be able to find suitable sites for the development of renewable energy projects.
- Land title in India can be uncertain, and it may be subject to onerous conditions which may restrict its use.
- We do not own all the land on which we operate.

Risks of Adverse Weather Events and Natural Calamities

- The generation of electricity from solar and wind sources depends on suitable weather.
- Natural calamities could have a negative impact on the Indian economy and adversely affect our business.

Contractual Risks Related to Our PPAs and Fixed Tariffs

- We initiated a strategic review of all projects contracted and awarded in Fiscal 2022 by the Special Committee with respect to improper payment allegations and related compliance issues.
- We may not be able to sign PPAs for balance capacity of 967 MWs in respect of the 4,000 MWs manufacturing linked tender for which letter of award has already been received.
- The majority of our revenue is exposed to fixed tariffs, changes in tariff regulation and structuring.
- Our PPAs may be terminated upon the occurrence of certain events.
- Restriction in transfer of PPAs

Risks Related to Our Limited Operating History and Growth Strategy

- Our limited operating history, especially with large-scale solar projects or managing such a large portfolio, may not serve as an adequate basis to judge our future performance.
- As part of our strategy, we engage in acquisitions which involve a number of risks, that could adversely affect our ability to achieve the benefits and returns expected.

Risks Related to Litigation and Legal Proceedings

- We may become involved in costly and time-consuming litigation, arbitration and other regulatory proceedings, which require significant attention from our management.
- An action alleging violations of U.S. securities laws has been brought against our Parent Company in the New York.

External Risks Including the Global Economy, Unrest, Terrorism War, Downgrading of India's Debt

- Global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, results of operations, financial condition and cash flows.



- War, terrorist acts and other acts of violence involving India or other neighboring countries could adversely affect our operations.
- Any downgrading of India's sovereign debt rating by an international rating agency could adversely impact our business, results of operations, financial condition and cash flows.

Risks Related to Our Corporate Structure, Control of our Business and Investments in Mauritius Companies

- Our Company will have to rely principally on dividends and other distributions on equity paid by its operating subsidiaries and limitations on their ability to pay dividends to our Company could adversely impact your ability to receive dividends on our Company's equity shares.
- As a shareholder in our Parent Company organized under the laws of Mauritius, you may have greater difficulties in protecting your interests than as a shareholder of a United States corporation.
- Anti-takeover provisions in our Parent Company's constitutional documents could make an acquisition of us more difficult and may prevent attempts by our Company's shareholders to replace or remove our Company's current management.
- Our Parent Company's largest shareholder owns 53.4% of our Company, as of September 30, 2023 and may exercise control of our Company.
- You may have difficulty enforcing judgments against our Company, our Company's directors and management. Further, investors may not be able to enforce a judgment of a foreign court against our Indian subsidiaries, certain of our Company's directors, or our key management, except by way of a suit in India on such judgment.

Risks Related to Our Shares

- Our Company does not expect to pay any cash dividends on our Company's shares.
- There is no assurance of an active or liquid trading market for our Company's shares.
- The market price of our Company's shares has been and may continue to be volatile, and you could lose all or part of your investment.
- Sales of a substantial number of our Company's shares by our Company or our Company's existing shareholders, could cause our Company's share price to fall.
- Future issuances of any equity securities may cause a dilution in your shareholding, decrease the trading price of our equity shares, and restrictions agreed to as part of debt financing arrangements may place restrictions on our operations.
- If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our shares adversely, our stock price and trading volume could decline.

Tax Risks for Shareholders and Investors

- You may be subject to Indian taxes on income arising through the sale of our shares.

5. CREDIT RATING OF SECURITIES

The table below sets forth our ratings and downgrades in Fiscal 2023 and Fiscal 2024 with respect to various borrowings.

Borrower or Borrower Group	Borrowing	Rating Agency	Downgrade Action
Azure Power India Private Limited	Long term & Short term	CRISIL	On December 23, 2022, long term downgraded to A+ (from AA-) and short term downgraded to A1 (from A1+)

			On May 29, 2023 long term downgraded to A (from A+)
			On July 11, 2023, long term downgraded to BBB+ (from A) and short term downgraded to A2 (from A1).
Azure Power India Private Limited	Long term & Short term	CARE	On December 27, 2022, long-term to A+ (from AA-)
			On May 15, 2023, long-term downgraded to A (from A+) and short term downgraded to A1 (from A1+)
			On July 15, 2023, long-term downgraded to BBB+ (from A) and short term downgraded to A2 (from A1).

6. INSURANCE

Your Company has taken appropriate insurance for all assets against foreseeable perils.

7. CURRENT SIZE OF OPERATIONS

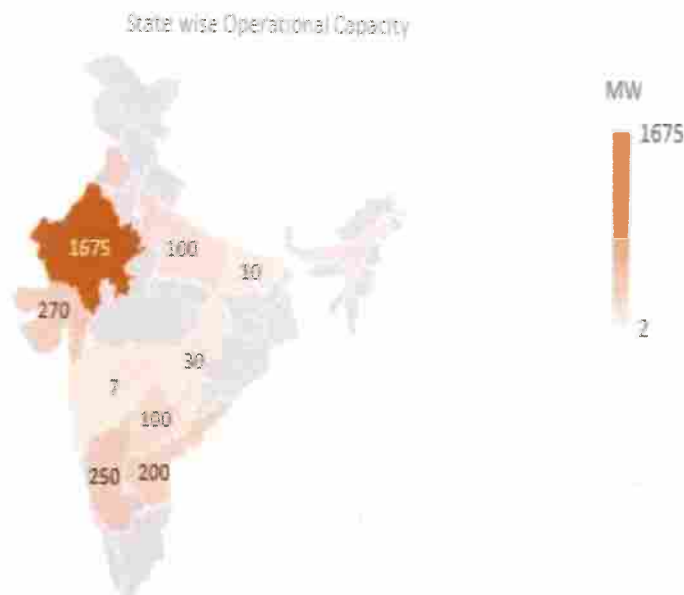
Our total portfolio stands at 7,311 MW including 86.5 MW of rooftop capacity and excluding 200 MW wind-solar hybrid project earlier won by the Group with Maharashtra State Electricity Distribution Co. Limited¹. We had a total operating capacity of 3,041 MW which includes rooftop capacity and Contracted and Awarded capacity of 4,270 MW. Out of total Contracted and Awarded capacity of 4,270 MW, around 700 MW is at early stages of development. A major part of our 4,270 MW project pipeline consists of 4,000 MW allocated by SECI under their manufacturing linked tender, that we won in FY 2020. In FY 2022, we executed PPAs with SECI for 2,983 MW under this manufacturing linked allocation and subsequently, in January 2023 for an additional 50 MW, taking our cumulative SECI manufacturing linked PPA capacity to 3,033 MW. PPAs for the balance capacity of 967 MW under manufacturing linked projects can be signed only after SECI has the power supply agreements for these remaining MW in place. The 3,033 MW of PPA capacity was initially required to be delivered in a phased manner from November 2023 to November 2026. Out of this capacity, 700 MW is presently required to be commissioned from July 2024 to November 2024. The scheduled commissioning timelines for most of this capacity (650 MW) is estimated from the expected CTU Grid Connectivity operationalization date, which in-turn is determined from the anticipated completion dates of the requisite elements of the CTU's grid transmission/ evacuation system. However, these 4,000 MW manufacturing linked projects are currently challenged under two Public Interest Litigations (PILs), filed in the High Court of Andhra Pradesh in FY 2022 (where we are not a party), challenging various aspects of the manufacturing linked tender. In FY 2023, we also executed PPAs with SECI for our first 150 MW solar-wind hybrid project, and for our first wind project of 120 MW. The presently estimated scheduled commissioning timelines for these projects are December 2024 (for the 120 MW wind project), and May 2025 (for the 150 MW solar-wind hybrid project). These timelines are estimated on the basis of anticipated dates of regulatory approvals and anticipated completion dates of the requisite elements of the grid's transmission/evacuation system.

Pursuant to the manufacturing linked tender of 4,000 MW, the Group has executed Power Purchase Agreements ("PPAs") for a capacity of 2,333 MW with SECI, for which a Power Sale Agreement ("PSA") has been executed by SECI with the state of Andhra Pradesh during the year ended March 31, 2022. Two Public Interest Litigations ("PILs") have been filed before the hon'ble High Court of Andhra Pradesh in the year ended March 31, 2022 against the Ministry of Power, Ministry of New and Renewable Energy (MNRE), SECI, Government of Andhra Pradesh, and others seeking: (i) quashing the Request for Selection dated June 25, 2019 ("RfS") issued by SECI pursuant to which Azure was awarded the manufacturing linked project for 4,000 MW capacity; (ii) setting aside of the Letter of Award issued by SECI to Azure pursuant to the RfS; (iii) setting aside Andhra Pradesh Electricity Regulatory Commission's order ("APEREC Order") approving procurement of 7 GWs from SECI under the RfS (which includes capacity of 2,333 MW for which PPAs have been executed by the Company); and (iv) setting aside the Central Electricity Regulatory Commission's ("CERC") order dated April 02, 2022 whereby tariff discovered under the RfS was adopted, among other requests for relief. CERC passed an order, dated April 02, 2022, adopting tariffs under the PPAs subject to the outcome of the PILs mentioned above. The PILs currently are pending adjudication. In the event the PILs are successful, the

Letter of Award and PPAs awarded to/ executed by Azure pursuant to the RfS may be cancelled. Currently, we cannot predict the outcome of these two PILs.

The Group has concluded based on the economics and uncertainties associated with the PILs and ongoing reviews that it should seek to terminate the above mentioned PPAs and has filed a petition at the Andhra Pradesh High Court seeking a declaration that Azure should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Since there was a threat by SECI to revoke the Bank Guarantee of US\$ 15,388 thousand, the Hon'ble High Court in its order dated October 16, 2023, directed SECI not to take coercive steps against the Group until the next date of hearing. The matter is next listed for hearing in February, 2024. Considering the current status of the matter and basis management assessment, the Group believe that PPAs executed for 2,333 MWs with SECI may get a declaration of termination from the AP Hight court. Accordingly, the Group has recognized provision of US\$ 4,254 thousand in the financial statement for the year ended March 31, 2022.

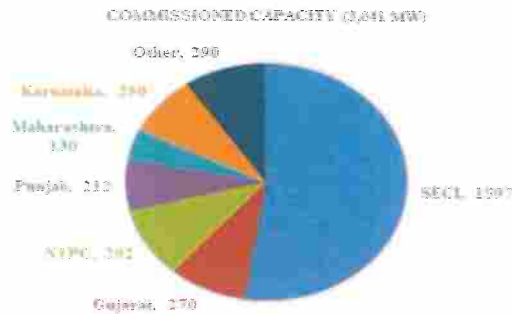
Our operational power plants are spread over 12 Indian states. Out of total operational capacity, some 90% of our plants are in high irradiation zones like Rajasthan, Gujarat, Maharashtra, and Andhra Pradesh. Below are outlines of our utility scale operational portfolio.



¹ This project was cancelled on March 10, 2023, pursuant to withdrawal of the Group's appeal before the Appellate Tribunal for Electricity. Appeal was filed to challenge Maharashtra Electricity Regulatory Commission's order, that rejected the adoption of the auction discovered tariff of INR 2.62 per unit and instead gave the Group an option to reduce the tariff to INR 2.49 per unit.

We sell renewable power under long term PPAs, typically 25 years in duration,² at a fixed tariff. The quality of our offtake customers is fundamental to our business and more than 85% of our PPAs are signed with top rated central government owned intermediaries such as SECI and NTPC, providing predictable and consistent revenues and cash flows. Further, according to a report published by MOP in April 2023, among the state government owned Discoms that we have large capacities contracted with, Gujarat is rated A+, Punjab & Assam are A rated, while the three Discoms of Karnataka (CHESCOM, GESCOM and HESCOM) are B rated, and Maharashtra Discom is rated B-. Our counterparty exposure for the commissioned capacity is set out below:





In addition to total operating capacity of 3,041 MW, we have Contracted and Awarded capacity of approximately 4,270 MW, bringing our total portfolio size to over 7,311 MW. During FY 2022, we generated 4,551 million units of clean and green electricity for the Indian power grid. We expanded beyond solar power in FY 2022 by winning our first wind and solar-wind hybrid power projects. Our goal is to remain a leader in the renewable energy market in India. All our operating assets are currently solar, but we intend to add wind as well as storage assets over time, to complement our clean generation capacity.

8. DIVIDEND

The Board of Directors of your company does not recommend distribution of any dividend for the financial year ended on March 31, 2022.

9. RESERVES

The Board of Directors of your company has decided not to transfer any amount to the general reserves for the year under review.

10. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Your company is subsidiary of Azure Power Global Limited (a company incorporated in Mauritius) and during the period under review, had 46 Indian subsidiaries, 1 foreign subsidiary and 1 associate Company. All the Indian subsidiaries are engaged in the business of operating solar power projects.

In 2019-20, five Subsidiary Companies (i.e Azure Power Forty Five Private Limited, Azure Power Forty Seven Private Limited, Azure Power Forty Eight Private Limited, Azure Power Forty Nine Private Limited, Azure Power Fifty Private Limited and on Indirect Subsidiary Company i.e Azure Power Green Private Limited) who had filed the application for striking off their names from the Register of Companies with the Registrar of Companies (ROC), NCT of Delhi & Haryana received Notice of Striking off and dissolution on August 16, 2021 in Form STK-7.

During the year under review, companies listed in **Annexure-I** in this report have become or ceased to be company's subsidiaries, joint ventures or associate companies. A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 in Form No. AOC-1 is attached herewith as **Annexure-II**.

11. INVESTMENT IN SUBSIDIARY COMPANIES AND OTHER COMPANIES DURING THE YEAR

- a) As on 31st March, 2022, your Company had an investment in various subsidiary companies as per table below:

Sr. No.	Details of Investment in the Equity Shares of Subsidiaries	As at March 31, 2022 (INR in Lakhs)	As at March 31, 2021 (INR in Lakhs)

1.	1,26,523 shares (March 31, 2021: 1,26,523) equity shares of INR 10/- each fully paid up in Azure Power (Punjab) Private Limited	1,813	1,813
2.	49,12,787 shares (March 31, 2021: 49,12,787) equity shares of INR 10/- each fully paid up in Azure Power (Haryana) Private Limited	3,929	3,929
3.	10,93,521 (March 31, 2021: 10,93,521) equity shares of INR 10/- each fully paid up in Azure Solar Private Limited	10,729	10,729
4.	98,873 (March 31, 2021: 98,873) equity shares of INR 10/- each fully paid up in Azure Power (Rajasthan) Private Limited	2,591	2,591
5.	1,04,532 shares (March 31, 2021: 1,04,532) equity shares of INR 10/- each fully paid up in Azure Urja Private Limited	6,335	6,335
6.	44,898 shares (March 31, 2021: 44,898) equity shares of INR 10/- each fully paid up in Azure Surya Private Limited	1,523	1,523
7.	37,776 shares (March 31, 2021: 37,776) equity shares of INR 10/- each fully paid up in Azure Power (Karnataka) Private Limited	1,001	1,001
8.	3,40,458 shares (March 31, 2021: 3,40,458) equity shares of INR 10/- each fully paid up in Azure Photovoltaic Private Limited	8,989	8,989
9.	1,96,054 shares (March 31, 2021: 1,96,054) equity shares of INR 10/- each fully paid up in Azure Power Infrastructure Private Limited	9,460	9,460
10.	4,17,742 shares (March 31, 2021: 4,17,742) equity shares of INR 10/- each fully paid up in Azure Power (Raj.) Private Limited	9,115	9,115
11.	56,402 shares (March 31, 2021: 56,402) equity shares of INR 10/- each fully paid up in Azure Green Tech Private Limited	7,059	7,059
12.	46,354 shares (March 31, 2021: 46,354) equity shares of INR 10/- each fully paid up in Azure Clean Energy Private Limited	6,581	6,581
13.	2,16,325 shares (March 31, 2021: 2,16,325) equity shares of INR 10/- each fully paid up in Azure Sunrise Private Limited	9,100	9,100
14.	56,335 shares (March 31, 2021: 56,335) equity shares of INR 10/- each fully paid up in Azure Sunshine Private Limited	3,509	3,509
15.	4,59,770 shares (March 31, 2021: 4,59,770) equity shares of INR 10/- each fully paid up in Azure Power Earth Private Limited	17,154	17,154
16.	71,445 shares (March 31, 2021: 71,445) equity shares of INR 10/- each fully paid up in Azure Power Eris Private Limited	2,205	2,205
17.	85,374 shares (March 31, 2021: 85,374) equity shares of INR 10/- each fully paid up in Azure Power Jupiter Private Limited	3,757	3,757
18.	2,68,474 shares (March 31, 2021: 2,68,474) equity shares of INR 10/- each fully paid up in Azure Power Makemake Private Limited	7,626	7,626
19.	1,24,583 shares (March 31, 2021: 1,24,583) equity shares of INR 10/- each fully paid up in Azure Power Mars Private Limited	1,101	1,101
20.	2,38,438 shares (March 31, 2021: 4,63,887) equity shares of INR 10/- each fully paid up in Azure Power Mercury Private Limited*	816	1,600



21.	7,76,874 shares (March 31, 2021: 7,76,874) equity shares of INR 10/- each fully paid up in Azure Power Pluto Private Limited	24,914	24,914
22.	1,26,640 shares (March 31, 2021: 1,26,640) equity shares of INR 10/- each fully paid up in Azure Power Uranus Private Limited	1,239	1,239
23.	1,65,135 shares (March 31, 2021: 1,65,135) equity shares of INR 10/- each fully paid up in Azure Power Venus Private Limited	5,028	5,028
24.	6,99,499 shares (March 31, 2021: 13,60,895) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited*	2,043	4,002
25.	9,28,836 shares (March 31, 2021: 9,28,836) equity shares of INR 10/- each fully paid up in Azure Power Thirty Three Private Limited	35,713	35,713
26.	29,52,087 shares (March 31, 2021: 29,52,087) equity shares of INR 10/- each fully paid up in Azure Power Thirty Four Private Limited	15,904	15,904
27.	1,00,000 shares (March 31, 2021: 1,00,000) equity shares of INR 10/- each fully paid up in Azure Power Thirty Five Private Limited###	10	10
28.	1,17,446 (March 31, 2021: 1,17,446) equity shares of INR 10/- each fully paid up in Azure Power Thirty Six Private Limited	6,693	6,693
29.	36,40,673 shares (March 31, 2021: 36,40,673) equity shares of INR 10/- each fully paid up in Azure Power Thirty Seven Private Limited	5,607	5,607
30.	1,20,402 shares (March 31, 2021: 2,36,082) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited*	1,945	3,886
31.	86,765 shares (March 31, 2021: 86,765) equity shares of INR 10/- each fully paid up in Azure Power Thirty Nine Private Limited	604	604
32.	26,32,123 shares (March 31, 2021: 25,13,077) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited	13,684	13,059
33.	10,82,632 shares (March 31, 2021: 10,82,632) equity shares of INR 10/- each fully paid up in Azure Power Forty One Private Limited	28,992	28,992
34.	90,000 shares (March 31, 2021: 90,000) equity shares of INR 10/- each fully paid up in Azure Power Forty Two Private Limited###	9	9
35.	12,22,477 shares (March 31, 2021: 12,22,477) equity shares of INR 10/- each fully paid up in Azure Power Forty Three Private Limited	34,191	34,191
36.	1,45,449 shares (March 31, 2021: 2,82,976) equity shares of INR 10/- each fully paid up in Azure Power Forty Four Private Limited*	2,333	4,513
37.	27,56,629 shares (March 31, 2021: 7,22,005) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited	21,967	5,405
38.	15,43,001 shares (March 31, 2021: 15,43,001) equity shares of US\$ 1 each fully paid up in Azure Power US Inc.	951	951
39.	33,99,638 shares (March 31, 2021: 3,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty One Private Limited	2,099	31
40.	13,26,537 shares (March 31, 2021: 3,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Two Private Limited	1,499	31

41.	1,10,000 shares (March 31, 2021: 1,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited	11	11
42.	10,000 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited	1	1
43.	1,10,000 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited	11	1
44.	10,000 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited	1	1
45.	10,000 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited	1	1
46.	10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited	1	-
47.	10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited	1	-
48.	10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty One Private Limited	1	-
49.	10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty Two Private Limited	1	-
50.	10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty Three Private Limited	1	-
51.	10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty Four Private Limited	1	-
52.	10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited	1	-
53.	10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited	1	-
54.	75,623 shares (March 31, 2020: 75,623) equity shares of INR 10/- each fully paid up in Azure Sun Energy Private Limited	-	-
55.	54,692 shares (March 31, 2020: 54,692) equity shares of INR 10/- each fully paid up in Azure Solar Solutions Private Limited*	-	-
56.	NIL (March 31, 2021: 19,731) equity shares of INR 10/- each fully paid up in Azure Sunlight Private Limited*	-	-
57.	NIL (March 31, 2021: 1,22,893) equity shares of INR 10/- each fully paid up in Azure Renewable Energy Private Limited*	-	3,004
58.	NIL (March 31, 2021: 9,87,807) equity shares of INR 10/- each fully paid up in Azure Power Forty Six Private Limited#	-	-
59.	NIL shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Five Private Limited**	0	1

* The Company entered into an agreement with the buyer for disposal of rooftop business through transfer of shareholding. During the current year the Company has transferred minority stake to the buyer pursuant to the agreement entered into.

***During the current year ended March 31, 2022, the Company has entered into a non-binding obligation with M/s Premier Energies limited ("Premier/ Manufacturer"), a solar module manufacturing company, relating to execution of tender received from SECI. The Company has invested INR 937 lakhs to acquire 26% of the equity shares of an entity, where Premier have invested in 74% of equity shares. Subsequent to the year end, the Company has entered into related module supply agreements and share and debentures subscription agreements with Premier.*

#Pursuant to the share purchase agreement dated 22 April 2021 executed between the Azure Power India Private Limited (Seller), Avaada Sustainable R/Project Private Limited (Purchaser) and Azure Power Forty Six Private Limited (SPV) including the subsequent amendment, through Letter Agreement dated 18 May 2021, the Seller had transferred its entire stake constituting the 100% paid-up share capital of the SPV in favor of the Purchaser and its nominee.

##The Company has filed an application for strike off with the Registrar of Companies, NCT of Delhi & Haryana in financial year 2022-23.

Sr. No.	Details of Investment in the Compulsorily Convertible Debentures (CCD) of Subsidiaries	As at March 31, 2022 (INR in Lakhs)	As at March 31, 2021 (INR in Lakhs)
1.	3,20,758 CCD 0.0% (March 31, 2021: 3,20,758) in Azure Power Thirty Seven Private Limited	8,500	8,500
2.	1,70,183 CCD 10.25% (March 31, 2021: 1,70,183) in Azure Power Forty Three Private Limited	5,000	5,000

b) As on 31st March, 2022, your Company had an investment in other companies as per table below:

Sr. No.	Details of Investment in the Equity Shares of Associates	As at March 31, 2022 (INR)	As at March 31, 2021 (INR)
1.	2,600 shares (March 31, 2021: 2,600) equity shares of INR 10/- each fully paid up in Waaree Power Private Limited*	-	-
2.	3,96,206 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) **	961	-

**During the year ended March 31, 2020, the Company won a tender issued by Solar Energy Corporation of India Limited (SECI). Pursuant to the terms of the tender, the Company had agreed to a firm purchase commitment with a solar module manufacturer i.e Waaree Power Private Limited to procure 2,800 MW's of modules. Pursuant to the terms of the tender, the Company had entered into a joint venture agreement on January 6, 2020 with Waaree Power Private Limited to establish a manufacturing facility with a capacity of manufacturing 500 MW Solar PV Modules per annum. Accordingly, the Company had invested INR 0.26 lakhs (INR 0.26 lakhs as of March 31, 2021) to acquire 26% of the equity shares in a newly formed company incorporated as part of the joint venture agreement to establish a manufacturing facility (investee) and is committed to further invest 26% of the equity required for construction of the manufacturing facility, and additionally procure modules. Subsequent to year end the company has entered into a termination agreement with Waaree for the termination of the said contract and has accordingly recorded a loss on termination of contract amounting to INR 5,395 lakhs.*

*** During the current year ended March 31, 2022, the Company has entered into a non-binding obligation with M/s Premier Energies limited ("Premier/ Manufacturer"), a solar module manufacturing company, relating to execution of tender received from SECI. The Company has invested INR 937 lakhs to acquire 26% of the equity shares of an entity, where Premier have invested in 74% of equity shares. Subsequent to the year end, the Company has entered into related module supply agreements and share and debentures subscription agreements with Premier.*

12. CHANGE IN NATURE OF BUSINESS, IF ANY

During the financial year under review there were no change(s) in the nature of the business carried out by the Company.









13. TRADEMARK & PATENT

As on the date of this report, following is the status of Trademarks & Patents registered in the name of

the Company or applied for:

A. **Trademarks:**

B. **Patents:**

Trademark	Application No.	Date of Filing	Status	Class
Azure Power	2047922	01-11-2010	Registered	7
Azure Power	2321066	24-04-2012	Registered	35
Azure Power	2047923	01-11-2010	Registered	37
Azure Power	2321067	24-04-2012	Registered	40
Solar Power Solutions Simplified	2071520	21-12-2010	Registered.	37
Solar as a Service	2071517	21-12-2010	Registered.	7
Solar as a Service	2071518	21-12-2010	Registered.	37
	2071521	21-12-2010	Registered.	7
	2071522	21-12-2010	Registered.	37
Solar Power Simplified	2246499	08-12-2011	Registered	7
Solar Power Simplified	2246498	08-12-2011	Registered	37
Power to be free!	2246497	08-12-2011	Registered	7
Power to be free!	2246496	08-12-2011	Registered	37
	2321064	24-04-2012	Registered	35
	2321065	24-04-2012	Registered	40
Azure	2321076	24-04-2012	Registered	7
Azure	2321077	24-04-2012	Registered	35
Azure	2321078	24-04-2012	Registered	37
Azure	2321079	24-04-2012	Registered	40
	2892073	29-01-2015	Registered.	7
	2892074	29-01-2015	Registered.	35
	2892075	29-01-2015	Registered.	37
	2892076	29-01-2015	Registered.	40
Matter No./ Docket Id for Patents	Application No.	Status of Application	Title	
PA00100	3910/DEL/2014	Patent granted on 30 November, 2023	System and method for remote photovoltaic power generation health monitoring	

11. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes apart from those which have already been disclosed in the financial statements, have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

For more information, please refer to “Note 57” of the Consolidated Financial Statement for FY’22 annexed herewith.

12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE:

No such orders have been passed in relation to your company.

13. INTERNAL FINANCIAL CONTROLS

All companies under Azure Power Global Limited (“APGL/Holding Company”), including Azure Power India Private Limited and its subsidiaries, (“Group”) operate as one unit, having common systems, processes, controls, and resources which are used by all components of the Group. The Group has a common Internal Control framework applicable to all the subsidiaries including the Company.

Group Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting includes maintaining records that, in reasonable detail, accurately and fairly reflect Company’s transactions; provide reasonable assurance that transactions are recorded as necessary for preparation of Company’s financial statements; provide reasonable assurance that receipts and expenditures of company assets are made in accordance with Group Management authorization; and provide reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on Company’s financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of Company’s financial statements would be prevented or detected. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Group Management used the Committee of Sponsoring Organizations of the Treadway Commission Internal Control—Integrated Framework (2013), or the COSO framework, to evaluate the effectiveness of Company’s internal control over financial reporting.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement in Company’s annual or interim financial statements would not be prevented or detected on a timely basis. The scope of Group Management’s assessment of the effectiveness of internal control over financial reporting includes all of Company’s consolidated operations. Group Management determined that Company’s internal controls over financial reporting were ineffective due to inadequacy of certain review controls including control failures in financial statement closing procedures, controls pertaining to capitalization, vendor selection process, land acquisition, documentation on testing of control attributes and completeness and accuracy of reports used including inadequate consideration in designing of risk and controls matrices.

Group Management, under the supervision of the Ultimate Holding Company’s Audit and Risk Committee, has initiated remediation actions focused on improving the Group’s internal control and compliance environment to address the control deficiencies that led to material weaknesses. Group Management is taking support from external consultants while performing this remediation exercise. These efforts include creation of a Group Management Assurance Service function, assessing and strengthening internal control framework, testing operational controls, adding accounting personnel for assistance on critical accounting matters, training of team members, implementing additional process level reviews, and periodic monitoring by the Ultimate Holding Company’s Audit and Risk Committee of the effectiveness of the remedial efforts and overall



reporting framework. As it continues to implement such remediation, Group Management may take additional measures or modify the plan elements described above.

Group Management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even the most effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements and can only provide reasonable assurance with respect to the preparation and presentation of our financial statements.

14. DEPOSITS

During the year under review, your Company has not accepted any deposit under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, there were no remaining unclaimed deposits as on 31st March, 2022.

15. AUDITORS & AUDITOR'S REPORT:

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s MSKA & Associates (FRN: 105047W), Chartered Accountants, has been appointed as statutory auditors of the Company from the conclusion of the Annual General Meeting (AGM) of the Company held on September 25, 2019 till the conclusion of the AGM to be held for the financial year 2023-24.

The Statutory Auditors of the Company have given qualified opinion on the Consolidated and Standalone Financial Statements as illustrated in **Annexure III** attached.

Cost Auditors

Pursuant to the provision of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Saurabh Mishra & Associates (FRN: 002680) were appointed as Cost Auditor of the Company for the financial year 2021-22.

The Cost Auditors have not given any qualified opinion on the Cost records of the Company.

Further, the Board in their meeting held on 28th September, 2022 and 08th August, 2023 has appointed M/s Saurabh Mishra & Associates, Cost Accountants (Registration No. 002680) as Cost Auditor to conduct Cost Audit of the Company for FY 22-23 and FY 2023-24 respectively. The members in their extra ordinary general meeting held on 29th September 2023 approved and ratified the remuneration payable to M/s Saurabh Mishra & Associates, Cost Accountants (Firm Registration No. 002680) as the Cost Auditors of the Company for the financial year 2022-23 and 2023-24, as fixed by the Board or CFO of the Company.

Secretarial Auditors

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the rules made thereunder, M/s Abhishek Gupta & Associates, Practicing Company Secretaries (M. No. 9857) were appointed as Secretarial Auditors to undertake Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Auditor has not given any qualified opinion on the Secretarial records and compliances of the Company for the financial year 2021-22. The said report in form no. MR-3 is attached herewith as **Annexure-IV**.

Internal Auditors

Pursuant to the applicable provisions of the Companies Act, 2013, your Company appointed Grant Thornton as Internal Auditor for the financial year 2021-2022 and PWC for the financial year 2022-2023. For Financial year 2023-2024, ARC decided to internalize the Internal audit and hence, Mr. Vishal Mittal (part of Management Assurance Team) has been appointed as an Internal auditor.

16. EXPLANATIONS OR COMMENTS ON QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

The explanations or comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished in (“Annexure-III”) and are attached to this report.

17. DISCLOSURE FOR FRAUDS AGAINST THE COMPANY

As per Section 134(3)(ca) of the Companies Act, 2013, details of fraud reported by auditors under Section 143(12) must be disclosed, excluding those already reported to the Central Government.

None other than disclosed in “Note 51” of the Consolidated Financial Statement for the Year ended March 31, 2022.

18. CAPITAL STRUCTURE

As on 31st March 2022, following was the Share Capital of the Company.

Particulars	No. of Shares	Face Value (INR)	Total Amount (INR)
Authorised Share Capital			
Equity Shares	4,33,33,333	10/-	43,33,33,330
Preference Shares	8,66,66,667	10/-	86,66,66,670
Issued Share Capital			
Equity Shares	68,58,979	10/-	6,85,89,790
Preference Shares	-	-	-
Subscribed Share Capital			
Equity Shares	68,58,979	10/-	6,85,89,790
Preference Shares	-	-	-
Paid Up Share Capital			
Equity Shares	68,58,979	10/-	6,85,89,790
Preference Shares	-	-	-

a) Issue of Shares or other Securities:

During the year under review the Paid-up, Issued and Subscribed Share Capital of the Company was increased from INR 4,55,14,430/- divided into 45,51,443 equity shares of INR 10/- each to INR 6,85,89,790/- divided into 68,58,979 equity shares of INR 10/- each.

S. No.	Date of Allotment	Details of Equity Shares Allotted @ INR 7510 including premium of INR 7500	Name and Address of Allottee	Amount (INR)
1.	04-02-2022	9,99,134	Azure Power Global Limited Services Ltd, 1 st Floor, The Exchange, 18 Cybercity, Ebene, Mauritius	7,50,34,96,340
2.	08-02-2022	2,88,011		2,16,29,62,610
3.	10-02-2022	2,88,416		2,16,60,04,160
4.	11-02-2022	2,88,658		2,16,78,21,580
5.	17-02-2022	2,90,936		2,18,49,29,360
6.	16-03-2022	1,52,381		1,14,43,81,310
Total				17,32,95,95,360

b) Issue of equity shares with differential Rights:

During the year under review, no equity shares with differential voting rights were issued by the Company.

c) Issue of sweat equity shares:

During the year under review, no sweat equity shares were issued by the Company.

d) Issue of employee stock options:

Various Employees, Officers and Directors of the Company have been granted options pursuant to 2016 Equity Incentive Plan (as amended from time to time) of the Parent Company (Azure Power Global

Limited/APGL).

e) Issue of debentures, bonds or any non-convertible securities

During the year under review, no debentures, bonds or any non-convertible securities were issued by the Company.

**During September 2017, the Company issued Non-convertible debentures and borrowed INR 19,000 lakhs. The debentures carry an interest rate of 12.30% per annum. The debentures are repayable in 11 equated semi-annual instalments beginning September 2022 until September 2027 and interest payments are payable semi-annually commencing March 2018. The Loan is repaid during the current year.*

f) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:

The company has not made any provision for the purchase of its own shares by employees or by trustees for the benefit of employees.

19. ANNUAL RETURN:

The Annual Return of the Company as on 31st March, 2022 will be available on the website of the Company at <http://investors.azurepower.com/>

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and Foreign exchange earnings and outgo is as under: -

a) Conservation of Energy

The company continuously strives to achieve all around efficiency in energy consumption. It has taken effective energy efficiency measures in all its project companies. During the year under review, this has helped it to achieve CO2 mitigation/emission of 36,00,14,139 Kwh through its projects and of subsidiary companies.

b) Technology Absorption

The Company selects best available technology and lowest cost capital in its subsidiaries for implementing Solar Power projects so that the cost of power generation is the lowest and the project companies are in the position to achieve grid parity in near future only. The Company imports or uses domestic technology, as required, of high quality, for its projects to maintain lowest cost of power generation and achieve highest yields. Emphasis is always placed on in-house development of engineering, designing, procurement and construction supervision processes and technologies.

c) Foreign Exchange Earnings and Outgo

The particulars relating to foreign exchange earnings and outgo during the year under review are as under:

Particulars	March 31, 2022 INR (In Lakhs)
Foreign Exchange Earnings	-
Foreign Exchange Outgo	394.06

21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Our Corporate Social Responsibility program is based on shared values, responsible business and exposure to voluntary social activities. The government guideline of utilizing minimum 2% of the company's average net profit during the immediately three preceding financial year is only a mandate; CSR is much beyond that. Any CSR project that we take up, we ensure that it is able to make a social and an economic impact. It also has an effect on the gender equality, caste and yield in the rural area where we intervene. A holistic approach is what helps us attain sustainability in any project. We truly believe that it's not just the funds, but true

intentions and actions that go a long way. Keeping all these things in consideration, Company has in place the CSR Policy & Charter and as on the date of this report, the CSR Committee comprises of following Directors:

1. Mr. Mangalath Unnikrishnan (Chairman)
2. Ms. Supriya Prakash Sen (Member)
3. Mr. Philippe Pierre Wind (Member)

The Company had incurred INR 84.40 Lakhs (Eighty Four Lakhs Forty Thousand) expenses for CSR initiatives for the F.Y. 2021-22 covering the sector of Skill Development, Livelihood Enhancement, Donation of Smart Class, Donation of tablets to school students, Donation of BIPAP Machine, Donation of Oxygen Concentrator, Donation of PPE Kit, distribution of Dry Ration Kit, Construction of Tubewell etc. at various locations in the state of Andhra Pradesh, Assam, Gujarat, Haryana, Karnataka, Punjab, Rajasthan, Uttar Pradesh and PAN India.

The Company had also engaged various agencies assisting in CSR activities, providing consultancy services etc. The Company ensures to continue the focus on CSR activities in future as well for the betterment of the Society and Environment.

Detailed report of CSR is as per **Annexure – V**

22. **DIRECTORS**

- a) Declaration from Independent Directors pursuant to Section 149(6): The provision of Section 149(6) is not applicable on our Company, being a Private Company
- b) As on March 31, 2022, following were the Directors of the Company:
 1. Mr. Richard Alan Rosling
 2. Mr. Mangalath Unnikrishnan
 3. Mr. Arno Lockheart Harris
 4. Mr. Cyril Sebastien Dominique Cabanes
 5. Ms. Supriya Prakash Sen
 6. Mr. Deepak Malhotra
 7. Mr. Ranjit Gupta
 8. Ms. Christine Ann McNamara

During the year under review till the date of report, the following changes took place in the composition of the Board of Directors:

1. Mr. Barney Sheppard Rush announced his retirement from the office of the Board of Directors, members of various Committee's and Chairman of the Board of Directors with effect from September 30, 2021.
2. Appointment of Mr. Richard Alan Rosling as Nominee Director on the Board with effect from September 30, 2021 as representative of CDPQ Infrastructures Asia Pte Ltd. ("CDPQ").
3. Appointment of Ms. Christine Ann McNamara as Non-executive Director with effect from March 01, 2022.
4. Mr. Ranjit Gupta tendered his resignation vide letter dated April 25, 2022 terminating his Executive Employment Agreement ("EEA") and was relieved from the office of Managing Director and Chief Executive Officer with effect from April 26, 2022.
5. Appointment of Ms. Delphine Voeltzel, representative of Ontario Municipal Employees Retirement System ("OMERS"), as Nominee Director with effect from May 11, 2022
6. Mr. Arno Lockheart Harris resigned from the office of the Board of Directors, members of various Committee's and Chairman of the Board of Directors with effect from May 31, 2022.

7. Appointment of Mr. Harsh Dinesh Shah as Managing Director with effect from August 05, 2022 who subsequently resigned effective August 29, 2022.
8. Appointment of Mr. Rupesh Agarwal as Managing Director with effect from August 29, 2022.
9. Appointment of Mr. Sugata Sircar as Non-Executive Additional Director with effect from October 01, 2022. On May 01, 2023, Mr. Sugata Sircar designation was changed to Executive Director Finance.
10. Appointment of Mr. Jean Francois Joseph Boisvenu as Non-Executive Additional Director on the Board with effect from April 24, 2023 and further regularized pursuant to Shareholders approval dated September 29, 2023.
11. Ms. Christine Ann McNamara resigned from the Board with effect from June 26, 2023.
12. Appointment of Mr. Richard Payette as Non-Executive Additional Director on the Board with effect from July 01, 2023 and further regularized pursuant to Shareholders approval dated September 29, 2023.
13. Mr. Rupesh Agarwal resigned from the Board with effect from July 10, 2023.
14. Appointment of Mr. Sunil Kumar Gupta as an Additional Director on the Board with effect from August 08, 2023 and subsequently as Managing Director with effect from August 08, 2023. Further regularized pursuant to Shareholders approval dated September 29, 2023.
15. Mr. Richard Alan Rosling resigned from the Board with effect from October 11, 2023.
16. Mr. Deepak Malhotra resigned from the Board with effect from October 29, 2023.
17. Mr. Cyril Sebastien Dominique Cabanes resigned from the Board with effect from October 30, 2023.
18. Appointment of Mr. Philippe Pierre Wind as Nominee Director on the Board with effect from October 31, 2023.
19. Appointment of Mr. Jaime Garcia Nieto as Nominee Director on the Board with effect from December 01, 2023.

23. **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

For the financial year in review, the Board of Directors had 7 (Seven) Board meetings i.e 10.06.2021, 01.07.2021, 26.08.2021, 29.09.2021, 09.11.2021, 20.01.2022 and 08.02.2022, which were in compliance with the relevant provisions of all the applicable laws and rules.

24. **BOARD COMMITTEE'S**

A. **Finance Committee:**

As on the date of this report, the Finance Committee of the Company comprised of Mr. Sunil Kumar Gupta (CEO), Mr. Sugata Sircar (Group CFO) and Mr. Narasimhan Iyer (COO) as members of the Committee.

During the period under review, the Finance Committee of the Company comprised of Mr. Ranjit Gupta, Mr. Murali Subramanian, and Mr. Pawan Kumar Agrawal as members of the Committee.

The Finance Committee of the Company met 28 (Twenty-Eight) times during the year whereas urgent matters were approved by the members of Finance Committee through circular resolutions.

B. **Audit and Risk Committee:**

As of the date of this report, the Audit and Risk Committee of the Company is comprised of three members including Mr. Richard Payette, Ms. Supriya Prakash Sen and Mr. Jean Francois Boisvenu respectively.

Mr. Richard Payette was appointed as new Chairperson of the Committee effective July 1, 2023 (replacing Ms. Christine Ann McNamara who had been in office from March 1, 2022 to June 26, 2023). Mr. Barney Sheppard Rush retired from the office of the Board of Directors and member of Audit and Risk Committee with effect from September 30, 2021. Mr. Arno Lockheart Harris resigned from the membership of the Committee effective May 31, 2022. Mr. Sugata Sircar appointed as member of the Audit & Risk Committee with effect from October 1, 2022 but left the role on April 30, 2023 to become the Group CFO. Mr. Jean-François Boisvenu was appointed as a new member of the Audit & Risk Committee on March 15, 2023.

During the year under review members of the Audit Committee met 5 (Five) times.

C. **Compensation Committee:**

During the year under review, members of the Compensation Committee met 4 (four) times. The Board of Directors in their meeting dated June 09, 2022, withdrew, and dissolved the Compensation Committee.

The Compensation Committee of the Company comprised of four members including Mr. Richard Alan Rosling, Mr. Cyril Sebastien Dominique Cabanes, Mr. Panicker Unnikrishnan Mangalath Sukumara, and Ms. Supriya Prakash Sen. Mr. Richard Alan Rosling Chaired the Compensation Committee of the Company

25. COMPLIANCE TO SECRETARIAL STANDARDS

Your directors confirm that the Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' as issued by the Institute of Company Secretaries of India, have been complied with.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Your Company is engaged in the business of providing infrastructural facilities as per the provisions of Section 186(11)(a) of the Companies Act, 2013 and therefore the provisions of Section 186 of the Companies Act, 2013 except sub-section (1) are not applicable to it. Details of loans, guarantees and investments covered under the provision of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

27. DOWNSTREAM INVESTMENT

The Company has made downstream investment of INR 2,16,74,82,540/- during the year under review. The Company also obtained the required Statutory Auditors Certificate certifying that the Company has complied with applicable FEMA Rules and Regulations with respect to downstream investment made by the Company being the first level Indian company during the period under review.

28. PARTICULARS OF EMPLOYEES

The Company being a private limited company is not required for any disclosure under section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014.

29. RISK MANAGEMENT POLICY

Group Management actively assess, monitor and seek to mitigate risks in our business. In the course of the last two years, with the support of outside advisers, Group Management have reviewed and enhanced Company's Enterprise Risk Management (ERM) process. Group Management have identified potential risks, assigned an executive to manage each risk, and analyzed the probability of each risk crystalizing, the likely impact in such an event and how the risk can best be mitigated. Ultimate Holding Company's Audit and Risk Committee oversees the ERM and provides assurance that the process is effective.

30. CONTRACTS AND ARRANGEMENTS WITH THE RELATED PARTIES

All the contracts/arrangements/transactions entered into by the Company during the year under review with the related parties were in the ordinary course of business and on an arm's length basis. During the year under review, the Company did not enter into a contract/arrangement/transaction with the related parties which could be considered material and details of such transactions has been provided under Form No. AOC-2 attached herewith as **Annexure-VI**.

31. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to clause (c) of sub-section (3) read with sub-section (5) of Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company believes that the development of employees is one of the most important enablers for an organization. This is being done at both individual and team levels. Sustained development of its employees, professional and personal, is the hallmark of its human resource policies. The Company values its Human Resources and is committed to ensure employee satisfaction, development and growth. The Company is working towards developing a culture of nurturing leaders, encouraging creativity and openness. Cordial industrial relations and improvements in productivity were maintained at all the Company's Plants and Offices during the year under review.

33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No cases were reported during the financial year 2021-22.

34. VIGIL MECHANISM

Your Company has in place a well formulated Vigil Mechanism/ Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy enables the employees, Directors, and other stakeholders to raise any concerns related to unethical behaviour or misconduct. Further, there was no incident when access to the Audit and Risk Committee was denied to any employees with respect to the vigil mechanism. The policy is posted on the website of the Company at the following link: investors.azurepower.com/corporate-governance/governance-documents.

During the year and subsequent to the year end, the Group received whistle-blower complaints on various matters, including lapses in internal controls for certain key areas, governance and vendor management. The Board of Directors of the Holding Company have engaged external counsel to undertake investigations on the allegations thereof. Some of the Group companies have made certain adjustments in the books of account as a prudent measure.

In May 2022, a whistle-blower complaint was received that alleged health and safety lapses, procedural irregularities, misconduct by certain employees, improper payments and false statements in a project. Following extensive investigation by the Holding Company's Ethics Committee, supervised by the Holding Company's Audit and Risk Committee and support from external counsel and forensic professionals, the Group identified evidence of manipulation and misrepresentation of project data by some employees at that project site. Weak controls over payments to a vendor and failures to provide accurate information both internally and externally were also found, but no direct evidence was identified that any improper payment made to any government official. Further, in the year ended March 31, 2023, the Group reported to SECI that this project had: (i) shortfalls in generation and (ii) that it failed to timely complete and commission the requisite contractually required capacity. On January 3, 2023 and January 4, 2023, SECI advised, inter alia, that the Group could be liable for damages and penalties for shortfalls in generation.

Further, in September 2022, the Group received an additional whistle-blower complaint reiterating the allegation of misconduct raised in May 2022, as well as allegations of misconduct related to joint ventures and land acquisition, allegations of its failure to be transparent with the market and advisors, among other claims. Holding Company's Ethics Committee, supervised by Holding Company's Audit and Risk Committee, with the support of external counsel and forensic accounting professionals, investigated these September 2022 allegations. The investigation of the September 2022 complaint identified significant control issues in the process of acquiring land and land use rights in relation to a subsidiary company. The investigation concluded that third party land aggregators may have been involved in improper payments but no improper transfer of money by the Group was identified. The Group made an adjustment (de-capitalization) in the books of accounts of INR 2,528 Lakhs on estimate, as a prudent measure in the Group.

The Group has also identified potential misrepresentations made by former executives to Holding Company's and Company's Board in July 2021 regarding an asset purchase transaction for the development of a wind project. In addition, it appears such former executive officers may have circumvented internal policies in connection with the approval of another transaction related to another wind project. We were not able to identify any evidence of improper payments related to either of these transactions. Considering the observations regarding the transactions, the valuation of the asset purchase and related government orders was reassessed but it was determined that no adjustment was required to be made in the books of account.

The Group's investigation did not substantiate other portions of this September 2022 whistle-blower complaint.

As part of the investigations of the May 2022 and September 2022 whistle-blower complaints, the review was widened to include a review of projects commissioned in financial year ended March 31, 2022 and financial year ended March 31, 2023 to ensure that similar weaknesses were not present. As part of our investigations, inconsistencies in project data were identified in certain projects, but no improper payments were identified in connection with these projects.

A Special Committee of Holding Company's Board of Directors (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee has identified evidence that certain former executives may have been involved and certain former board members of the Holding Company might have had knowledge of an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings could impact the decision-making of the Group, in connection with such projects. APGL has disclosed the details of the Special Committee's investigation to the U.S. Securities and Exchange Commission and the U.S. Department of Justice, and APGL continues to cooperate with those agencies. The current members of the Board of Directors of the Holding Company have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation.

The Group including the Company and our subsidiaries with respect to affected projects could be exposed to liabilities under the relevant contractual and tender documents (including levy of damages and liquidated damages, reduction of PPA tariffs and/or short closure of capacity), administrative actions (including the risk of PPA cancellation, risk of being debarred from SECI's future contracts, withdrawal or nullification of commissioning certificates and/or revocation of commissioning extensions) and penalties from customers and other civil liabilities, all of which could adversely impact the revenue, profitability and capitalization of the affected projects.

The Group remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations and it will continue to monitor and assess its internal processes to ensure compliance with all relevant laws and regulations.

35. CHANGE IN REGISTERED OFFICE OF THE COMPANY

Pursuant to approval of the Finance Committee (Sub-Committee of the Board of Directors), the Registered Office of the Company has been shifted from 5th Floor, Southern Park, D-II, Saket Place, Saket, New Delhi-110017 to Unit no. 409 and 410, 4th Floor, Southern Park, D2, Saket Place, New Delhi-110 017, with effect from December 08, 2023.

36. ACKNOWLEDGEMENT

Your directors extend their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government Authorities. The directors appreciate and value the contributions made by every member of the Company. Your directors also place on record their deep sense of appreciation for the committed services by the Company's executive and staff.

37. CAUTIONARY STATEMENT

Statements in this Board's Report describing the Company's present position, expectations or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statement. Important factors that could influence the Company's operations include global



and domestic demand and supply conditions, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**For and on behalf of the Board of Directors,
AZURE POWER INDIA PRIVATE LIMITED**



**Sugata Sircar
Director**

DIN:01119161

Date: 12th January, 2024

Place: New Delhi



**Sunil Kumar Gupta
Managing Director**

DIN: 07095152

Date: 12th January, 2024

Place: New Delhi



Information regarding Subsidiaries, Joint Venture and Associate Companies of the Company:

Information regarding companies which have become or ceased to be company's subsidiaries, joint venture or associate companies.

1. Companies which have become the subsidiary company during the financial year 2021-22:

Sr. No.	Name of the Subsidiaries
1.	Azure Power Fifty Nine Private Limited
2.	Azure Power Sixty Private Limited
3.	Azure Power Sixty One Private Limited
4.	Azure Power Sixty Two Private Limited
5.	Azure Power Sixty Three Private Limited
6.	Azure Power Sixty Four Private Limited
7.	Kotuma Wind Parks Private Limited
8.	Two Wind Energy Private Limited
9.	Azure Green Hydrogen Private Limited
10.	Azure Energy Transition Private Limited

2. Companies which have ceased to be subsidiary company during the financial year 2021-22:

Sr. No.	Name of the Subsidiaries
1.	Azure Power Forty Six Private Limited
2.	Azure Power Fifty Five Private Limited*
3.	Azure Solar Solutions Private Limited
4.	Azure Sunlight Private Limited
5.	Azure Renewable Energy Private Limited
6.	Azure Power Forty Five Private Limited**
7.	Azure Power Forty Seven Private Limited**
8.	Azure Power Forty Eight Private Limited**
9.	Azure Power Forty Nine Private Limited**
10.	Azure Power Fifty Private Limited**
11.	Azure Power Green Private Limited**

** In 2019-20, five Subsidiary Companies and one indirect Subsidiary Company i.e Azure Power Green Private Limited who had filed the application for striking off their names from the Register of Companies with the Registrar of Companies (ROC), NCT of Delhi & Haryana received Notice of Striking off and dissolution on August 16, 2021.

3. Companies which have become Associate company during the financial year 2021-22:

Sr. No.	Name of the Subsidiaries
1.	Azure Power Fifty Five Private Limited*



**Premier Energies International Limited (formerly known as Azure Power Fifty Five Private Limited) transferred 74% stake in favour of M/s. Premier Energies Limited retaining 26% and becoming Associate Company of Azure Power India Private Limited.*

**For and on behalf of the Board of Directors,
AZURE POWER INDIA PRIVATE LIMITED**



**Sugata Sircar
Director**

DIN:01119161

Date: 12th January, 2024

Place: New Delhi



**Sunil Kumar Gupta
Managing Director**

DIN: 07095152

Date: 12th January, 2024

Place: New Delhi



Form AOC-1

Salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A": Subsidiaries

Sl. No.	Name of the subsidiary	Reporting Period	Reporting Currency	Share capital	Reserve s and surplus	Total assets	Total liabilities	Investment	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% of Share Holding
1	Azure Power (Punjab) Private Limited	2021-22	INR in thousands	1,265	95,196	4,31,107	3,34,646	-	49,809	-5,014	4,684	-9,698	-	100.00 %
2	Azure Solar Private Limited	2021-22	INR in thousands	989	-48,923	4,79,699	5,27,633	-	93,530	14,772	-3,842	18,614	-	92.31%
3	Azure Power (Haryana) Private Limited	2021-22	INR in thousands	49,538	90,673	18,65,211	17,25,000	-	1,76,191	1,45,849	48,135	97,714	-	99.17%
4	Azure Power (Rajasthan) Private Limited	2021-22	INR in thousands	11,846	1,63,428	26,41,364	24,66,090	-	4,94,248	1,04,565	-5,556	1,10,121	-	100.00 %
5	Azure Sun Energy Private Limited	2021-22	INR in thousands	756	18,164	1,34,859	1,15,939	-	27,337	-5,772	-612	-5,160	-	100.00 %
6	Azure Urja Private Limited	2021-22	INR in thousands	1,416	6,24,866	27,75,794	21,49,512	2,49,988	3,60,441	1,09,507	38,696	70,811	-	100.00 %
7	Azure Surya Private Limited	2021-22	INR in thousands	667	4,00,081	7,69,469	3,68,721	-	1,57,728	1,00,586	17,355	83,231	-	67.33%



8	Azure Power (Karnataka) Private Limited	2021-22	INR in thousands	642	1,87,870	9,86,931	7,98,419	-	1,13,311	40,250	13,768	26,482	-	58.87%	
9	Azure Power Infrastructure Pvt Ltd	2021-22	INR in thousands	2,073	11,04,435	40,09,120	29,02,612	-	5,22,794	1,68,375	45,803	1,22,572	-	94.59%	
10	Azure Sunrise Pvt Ltd	2021-22	INR in thousands	2,163	-68,300	43,52,320	44,18,457	-	5,00,880	1,72,328	2,19,184	-46,856	-	100.00%	
11	Azure Sunshine Pvt Ltd	2021-22	INR in thousands	563	2,88,059	19,13,985	16,25,363	-	1,95,684	65,475	33,021	32,454	-	100.00%	
12	Azure Power (Raj.) Pvt Ltd	2021-22	INR in thousands	4,177	9,01,029	30,05,959	21,00,750	-	5,47,489	1,94,774	61,827	1,32,947	-	100.00%	
13	Azure Photovoltaic Pvt Ltd	2021-22	INR in thousands	3,405	6,71,479	34,34,159	27,59,275	-	4,09,826	1,49,763	61,138	88,625	-	100.00%	
14	Azure Clean Energy Pvt Ltd	2021-22	INR in thousands	464	8,07,930	26,80,613	18,72,219	-	3,77,204	2,01,110	48,977	1,52,133	-	100.00%	
15	Azure Green Tech Private Limited	2021-22	INR in thousands	564	5,69,290	37,02,660	31,32,806	-	3,72,035	1,44,318	54,513	89,805	-	100.00%	
16	Azure Power Earth Private Limited	2021-22	INR in thousands	4,598	10,19,500	68,99,983	58,75,885	-	7,88,880	-84,001	62,529	-	1,46,530	-	100.00%
17	Azure Power Eris Private Limited	2021-22	INR in thousands	714	1,89,446	6,48,625	4,58,465	-	1,04,699	35,270	11,560	23,710	-	100.00%	

18	Azure Power Mars Private Limited	2021-22	INR in thousands	1,246	87,040	3,89,736	3,01,450	-	47,597	15,035	6,881	8,154	-	100.00 %
19	Azure Power Mercury Private Limited	2021-22	INR in thousands	4,639	35,080	2,58,534	2,18,815	-	17,177	-19,923	3,605	-23,528	-	51.40%
20	Azure Power Pluto Private Limited	2021-22	INR in lakhs	78	20,740	84,550	63,732	-	12,771	5,205	1,598	3,607	-	100.00 %
21	Azure Power Saturn Private Limited	2021-22	INR in thousands	13,609	67,650	5,31,040	4,49,781	-	63,175	4,644	5,106	-462	-	51.40%
22	Azure Power Jupiter Private Limited	2021-22	INR in thousands	1,674	3,50,544	30,01,775	26,49,557	-	4,03,947	6,766	714	6,052	-	51.01%
23	Azure Power Makemake Private Limited	2021-22	INR in thousands	2,685	8,33,789	23,45,774	15,09,300	-	3,06,621	1,10,443	39,081	71,362	-	100.00 %
24	Azure Power Uranus Private Limited	2021-22	INR in thousands	1,266	47,245	4,28,308	3,79,797	-	60,560	-1,610	5,310	-6,920	-	100.00 %
25	Azure Power Venus Private Limited	2021-22	INR in thousands	1,651	1,89,010	24,61,219	22,70,558	-	3,58,581	29,625	39,530	-9,905	-	100.00 %
26	Azure Power Thirty	2021-22	INR in lakhs	93	18,155	1,49,762	1,31,514	-	18,895	-2,497	1,919	-4,416	-	100.00 %



	Three Private Limited														
27	Azure Power Thirty Four Private Limited	2021-22	INR in lakhs	295	11,062	75,150	63,793	-	9,720	996	1,151	-155	-	100.00 %	
28	Azure Power Thirty Five Private Limited	2021-22	INR in thousands	1000	-1132	15	147	-	-	-170	-	-170	-	100.00 %	
29	Azure Power Thirty Six Private Limited	2021-22	INR in thousands	1,174	4,20,096	32,59,697	28,38,427	-	4,35,367	55,977	51,416	4,561	-	100.00 %	
30	Azure Power Thirty Seven Private Limited	2021-22	INR in lakhs	365	15,684	67,728	51,679	-	10,155	3,826	1,202	2,624	-	99.84%	
31	Azure Power Thirty Eight Private Limited	2021-22	INR in thousands	2,361	1,02,664	8,26,697	7,21,672	-	66,065	-35,465	-726	-34,739	-	51.00%	
32	Azure Power Thirty Nine Private Limited	2021-22	INR in thousands	868	54,621	59,774	4,285	-	-	-214	147	-361	-	100.00 %	
33	Azure Power Forty Private Limited	2021-22	INR in thousands	26,321	13,92,615	95,62,917	81,43,981	-	2,69,721	-38,190	-	1,20,505	82,315	-	100.00 %



34	Azure Power Forty One Private Limited	2021-22	INR in thousands	10,826	26,23,017	1,73,89,516	1,47,55,673	-	2,96,386	-6,23,854	3,50,564	-	2,73,290	-	100.00 %	
35	Azure Power Forty Two Private Limited	2021-22	INR in thousands	900	-665	323	88	-	-	-50	-2	-	-48	-	100.00 %	
36	Azure Power Forty Three Private Limited	2021-22	INR in lakhs	122	38,024	3,27,509	2,89,363	-	26,437	-3,976	-3,017	-	-959	-	100.00 %	
37	Azure Power Forty Four Private Limited	2021-22	INR in thousands	2,830	1,19,165	8,45,585	7,23,590	-	81,294	-28,021	-21,349	-	-6,672	-	51.40%	
38	Azure Power Maple Private Limited	2021-22	INR in thousands	27,566	15,89,290	1,67,20,319	1,51,03,463	-	53,225	-	5,03,050	3,787	-	5,06,837	-	100.00 %
39	Azure Power US Inc.	2021-22	US Dollars	15,43,001	44,96,717	61,34,651	94,933	-	-	2,061	-	-	2,061	-	100.00 %	
40	Azure Power Fifty One Private Limited	2021-22	INR in thousands	33,996	1,68,947	3,90,200	1,87,257	-	-	-638	5,639	-	-6,277	-	100.00 %	
41	Azure Power Fifty Two Private Limited	2021-22	INR in thousands	13,265	1,24,050	3,43,561	1,02,095	-	-	-6,168	6,192	-	-12,360	-	100.00 %	
42	Azure Power Fifty Three Private Limited	2021-22	INR in thousands	1,100	-56,615	29,934	85,449	-	-	-56,491	37	-	-56,528	-	100.00 %	



43	Azure Power Fifty Four Private Limited	2021-22	INR in thousands	100	-52,243	32,830	84,973	-	-	-52,151	-	-52,151	-	100.00 %
44	Azure Power Fifty Six Private Limited	2021-22	INR in thousands	1100	-240	11,239	10,379	-	-	-99	47	-146	-	100.00 %
45	Azure Power Fifty Seven Private Limited	2021-22	INR in thousands	100	-179	21,385	21,464	-	-	-85	-	-85	-	100.00 %
46	Azure Power Fifty Eight Private Limited	2021-22	INR in thousands	100	-174	50,126	50,200	-	-	-82	4	-86	-	100.00 %
47	Azure Power Fifty Nine Private Limited	2021-22	INR in thousands	100	-55,084	29,958	84,942	-	-	-55,084	-	-55,084	-	100.00 %
48	Azure Power Sixty Private Limited	2021-22	INR in thousands	100	-52,130	32,907	84,937	-	-	-52,130	-	-52,130	-	100.00 %
49	Azure Power Sixty One Private Limited	2021-22	INR in thousands	100	87	47,308	47,295	-	-	-87	-	-87	-	100.00 %
50	Azure Power Sixty Two Private Limited	2021-22	INR in thousands	100	-50,506	108	50,514	-	-	-50,506	-	-50,506	-	100.00 %
51	Kotuma Winds Parks Pvt Ltd	2021-22	INR in thousands	100	-76	1,74,417	1,74,494	-	-	-76	-	-76	-	100.00 %



52	Two Wind Energy Pvt. Ltd.	2021-22	INR in thousands	100	-99	4,84,801	4,84,800	-	-	-99	-	-99	-	100.00 %
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A. Names of subsidiaries which are yet to commence commercial Operations

Sl. No.	Name of the Companies
1.	Azure Power Thirty Five Private Limited
2.	Azure Power Thirty Nine Private Limited
3.	Azure Power Forty Two Private Limited
4.	Azure Power Fifty One Private Limited
5.	Azure Power Fifty Two Private Limited
6.	Azure Power Fifty Three Private Limited
7.	Azure Power Fifty Four Private Limited
8.	Azure Power Fifty Six Private Limited
9.	Azure Power Fifty Seven Private Limited
10.	Azure Power Fifty Eight Private Limited
11.	Azure Power Fifty Nine Private Limited
12.	Azure Power Sixty Private Limited
13.	Azure Power Sixty One Private Limited
14.	Azure Power Sixty Two Private Limited
15.	Kotuma Winds Parks Pvt Ltd
16.	Two Wind Energy Pvt. Ltd.

A. Names of subsidiaries which have been liquidated or sold during the year:

Sr. No.	Name of the Subsidiaries
1.	Azure Power Forty Six Private Limited
2.	Azure Solar Solutions Private Limited
3.	Azure Sunlight Private Limited
4.	Azure Renewable Energy Private Limited



Part "B": Associates and Joint Ventures

(Pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Sl. No.	Name of Associates/Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate / Joint Venture held by the Company at the year end		Extent of Holding %	Description of Significant Influence	Reason why Associate / Joint Venture is not consolidated	Net worth Attributable to Shareholding as per latest Audited Balance Sheet Date	Profit / (Loss) for the year	
			No. of Shares	Amount of Investment in Associate / Joint Venture					Considered in Consolidation	Not Considered in Consolidation
1.	*Waaree Power Private Limited	2021-22	2,600	26,000	26	There is a significant influence due to percentage (%) of Shareholding	-	To the extent of shares held	NA	NA
2.	Premier Energies International Private Limited (earlier known as Azure Power Fifty-Five Private Limited)	2021-22	3,96,206	9,42,60,264	26	There is a significant influence due to percentage (%) of Shareholding	-	To the extent of shares held	NA	NA

Names of associates or joint ventures which are yet to commence operations: NIL

Names of associates or joint ventures which have been liquidated or sold during the year: *Waaree Power Private Limited : *As per agreement, subsequent to year end the Company has transfered the investment to manufacturer.*

**For and on behalf of the Board of Directors
AZURE POWER INDIA PRIVATE LIMITED**

Sugata Sircar
Sugata Sircar
Director
DIN: 01119161
Date: 12th January, 2024
Place: New Delhi



Sunil Kumar Gupta

Sunil Kumar Gupta
Managing Director
DIN: 07095152
Date: 12th January, 2024
Place: New Delhi



(Annexure–III)

Management replies to Independent Auditor's qualification/ remarks

Sl. No.	Independent Auditor's Qualification	Management's Reply
1.	<p><u>Paragraph (1) of Independent Auditor's Report on Standalone and Consolidated Financial Statement</u></p> <p>During the year and subsequent to the year end, the Company, parent company, and some subsidiaries (collectively referred to as the ' Group'), have received various complaints via the Group's common whistleblower mechanism. In response, the Board of Directors and Audit and Risk Committee of the parent company appointed external legal counsels to conduct investigations into the significant issues highlighted by the complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, and problems with vendor management. Specifically, the whistleblower complaints allege misconducts such as obtaining invalid commissioning certificates through the submission of falsified information to regulatory bodies in one project and the concealment and misrepresentation of facts by former senior management to the Board of Directors of the parent company.</p> <p>A special committee was constituted by the Board of Directors of the parent company ('the Special Committee'), to review certain material projects and contracts for anti-corruption and related compliance issues. Independent external counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that certain former senior management of the parent company may have been involved and certain former directors of the parent company may have had the knowledge of an apparent scheme with persons outside the Company to make improper payments in relation to certain projects. The Special Committee's investigation is not yet complete. The current Board of Directors of the parent company has represented to us that none of them were aware of such apparent scheme. As informed by the management, no adjustments would be necessary in the consolidated financial statements of the Group for the financial year ended March 31, 2022. Refer to Annexure 1 for the representation. In view of pending investigation, we are unable to comment whether the outcome of the investigation will result in possible adjustments and/or disclosures to the consolidated financial statements, and the status of compliance with the applicable laws and regulations.</p>	<p>The matters in Paragraph 1 read along with Note 51 to the standalone and Consolidated financial statements which is re-iterated below, are self-explanatory and do not require further comments:</p> <p>During the year and subsequent to the year end, the Group received whistle-blower complaints on various matters, including lapses in internal controls for certain key areas, governance and vendor management. The Board of Directors of the Holding Company have engaged external counsel to undertake investigations on the allegations thereof. Some of the Group companies have made certain adjustments in the books of account as a prudent measure.</p> <p>In May 2022, a whistle-blower complaint was received that alleged health and safety lapses, procedural irregularities, misconduct by certain employees, improper payments and false statements in a project. Following extensive investigation by the Holding Company's Ethics Committee, supervised by the Holding Company's Audit and Risk Committee and support from external counsel and forensic professionals, the Group identified evidence of manipulation and misrepresentation of project data by some employees at that project site. Weak controls over payments to a vendor and failures to provide accurate information both internally and externally were also found, but no direct evidence was identified that any improper payment made to any government official. Further, in the year ended March 31, 2023, the Group reported to SECI that this project had: (i) shortfalls in generation and (ii) that it failed to timely complete and commission the requisite contractually required capacity. On January 3, 2023 and January 4, 2023, SECI advised, inter alia, that the Group could be liable for damages and penalties for shortfalls in generation.</p> <p>Further, in September 2022, the Group received an additional whistleblower complaint reiterating the allegation of misconduct raised in May 2022, as well as allegations of misconduct related to joint ventures and land acquisition, allegations of its failure to be transparent with the market and advisors, among other claims. Holding Company's Ethics Committee, supervised by Holding Company's Audit and Risk</p>

In a complaint directly related to the subsidiary (Azure Power Maple Private Limited), the investigators observed that a commissioning certificate was prematurely accorded to the subsidiary Company by the Central Electricity Authority ("CEA") basis submission of false information by certain employees of the Group. This resulted in a significant overstatement of the plant's generating capacity. Furthermore, the investigation revealed the involvement of a vendor in suspected improper payments amounting to INR 50 lakhs. These amounts have been adjusted against vendor payables in the Group's books of accounts, while further other adjustments were made in the Property Plant and Equipment including Capital Work in Progress in the financial statements to reflect the factual picture as at the year end. While the investigation reports could not directly evidence any improper payment being made to any government official, owing to the fact that Solar Energy Corporation of India ("SECI") reported shortfall in power generation and the fact that project could not be timely commissioned to its desired capacity, the Group may be liable for damages and penalties for such shortfall including non-fulfilment of commercial arrangements with SECI and consequences of subsequent low power generation. Impact, if any, on the consolidated financial statements of the Group is currently unascertainable. Also refer note 51 of the accompanying consolidated financial statements.

In a complaint directly related to some of the subsidiaries, the external counsels have identified instances of irregularities in the process of selecting, approving scope of work, making payments to land aggregators for acquisition of land and land use rights through improper payments, and suspected involvement of the Group employees and the former senior management. The said acts may not be in compliance with the relevant applicable laws and regulations in India and the United States. Further, based on a review exercise of significant projects with respect to land aggregator costs, the companies has written off INR 2,528 lakhs in its books of accounts.

In a complaint directly related to some of the subsidiaries, the external counsels have identified potential misrepresentation made by former executives of those Companies to the Board of Directors of the Parent Company about the structure and other important terms of the deal proposed. Though the external counsels identified no evidence of improper payments made by those companies or its employees, however, it may have led to lapses in key control areas and governance issues within those companies.

The Group functions within a shared control environment, and there are identified design deficiencies noted in some of the key controls in significant areas. Refer to our 'adverse report' on Internal Control and Financial Report

Committee, with the support of external counsel and forensic accounting professionals, investigated these September 2022 allegations. The investigation of the September 2022 complaint identified significant control issues in the process of acquiring land and land use rights in relation to a subsidiary company. The investigation concluded that third party land aggregators may have been involved in improper payments but no improper transfer of money by the Group was identified. The Group made an adjustment (de-capitalization) in the books of accounts of INR 2,528 Lakhs on estimate, as a prudent measure in the Group.

The Group has also identified potential misrepresentations made by former executives to Holding Company's and Company's Board in July 2021 regarding an asset purchase transaction for the development of a wind project. In addition, it appears such former executive officers may have circumvented internal policies in connection with the approval of another transaction related to another wind project. We were not able to identify any evidence of improper payments related to either of these transactions. Considering the observations regarding the transactions, the valuation of the asset purchase and related government orders was reassessed but it was determined that no adjustment was required to be made in the books of account.

The Group's investigation did not substantiate other portions of this September 2022 whistle-blower complaint.

As part of the investigations of the May 2022 and September 2022 whistle-blower complaints, the review was widened to include a review of projects commissioned in financial year ended March 31, 2022 and financial year ended March 31, 2023 to ensure that similar weaknesses were not present. As part of our investigations, inconsistencies in project data were identified in certain projects, but no improper payments were identified in connection with these projects.

A Special Committee of Holding Company's Board of Directors (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee has identified evidence that certain former executives may have been involved and certain former board members of the Holding Company might have had knowledge of an apparent scheme with persons outside the Group to make improper payments in



provided in Annexure Bas referred to in para 2(g) of the report. These deficiencies constitute material weaknesses. These weaknesses could have impacted the external legal counsel's capacity to ascertain the completeness of the information provided.

The issues highlighted above may lead to contractual, civil, and criminal consequences under both Indian and U.S. law, potentially affecting both the Group including the Company. The impact, if any, on the consolidated financial statements is currently not ascertainable.

relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings could impact the decision-making of the Group, in connection with such projects. APGL has disclosed the details of the Special Committee's investigation to the U.S. Securities and Exchange Commission and the U.S. Department of Justice, and APGL continues to cooperate with those agencies. The current members of the Board of Directors of the Holding Company have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation.

The Group including the Company and our subsidiaries with respect to affected projects could be exposed to liabilities under the relevant contractual and tender documents (including levy of damages and liquidated damages, reduction of PPA tariffs and/or short closure of capacity), administrative actions (including the risk of PPA cancellation, risk of being debarred from SECI's future contracts, withdrawal or nullification of commissioning certificates and/or revocation of commissioning extensions) and penalties from customers and other civil liabilities, all of which could adversely impact the revenue, profitability and capitalization of the affected projects.

The Group remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations and it will continue to monitor and assess its internal processes to ensure compliance with all relevant laws and regulations.



2.	<p>Refer Note 52 to the accompanying standalone financial statements, which describes the matters relating to non-compliances with certain provisions of the Companies Act, 2013 (“the Act”) with respect to the adoption of the annual audited standalone financial statements for the year ended March 31, 2022 before the shareholders in the Annual General Meeting within the stipulated time as prescribed under Section 96 of the Act. Hence, the Company has also not complied with the provisions of Section 137 of the Act relating to the filing of standalone financial statements with the Registrar of Companies (“ROC”) and with Section 92 relating to the filing of annual returns. The consequential impact of the said non-compliance, including the liability for penal charges, if any, on the standalone financial statements, including the consequential impact under other applicable laws and regulations is presently not ascertainable.</p>	<p>The matters in Paragraph 2 read along with Note 52 accompanying standalone financial statements and Note 54 accompanying consolidated financial statements which is re-iterated below, are self-explanatory and do not require further comments:</p> <p>As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting (“AGM”) for adoption of its annual audited financial statements within the six months from the end of the financial year, i.e. September 30, 2022. Considering the investigations mentioned above, the Group companies (except for 33.2 MW rooftop portfolio for which agreement for sale have been entered into with Radiance) have not been able to hold the AGM till date. Consequently, given that the Group companies have not held the AGM by September 30, 2022 which was further extended by 3 months to December 31, 2022 based on the extension obtained from Registrar of Companies (“ROC”), the Group companies are now required to apply for compounding of the Offence and liable to pay penalties as may be imposed by ROC, Management is unable to ascertain the amount of penalties for the Offence and hence no accruals for the same has been taken in these financial statements.</p>
3.	<p>Refer Note 2.2(k) to the accompanying consolidated financial statements, which describes the current accounting policy of the Viability Gap Funding. The Group has not accounted for Viability Gap Funding received under the government scheme in accordance with the requirements of Ind AS 20 - Government Grants and Ind AS 109 - Financial Instruments. Had the Group appropriately accounted for the Viability Gap Funding, the deferred revenue would have been lower by Rs. 2,524 lakhs, Government Grant Receivable would have been lower by Rs. 207 lakhs and Retained Earnings would have been higher by Rs. 2,317 lakhs as at March 31, 2021 before taxes. Consequently, the current year's revenue would have been higher by Rs. 1,249 lakhs, interest income would have been higher by Rs. 133 Lakhs and profit before tax would have been higher by Rs. 1382 Lakhs. Further, the deferred revenue would have been lower by Rs. 3,773 lakhs and Government Grant Receivable would have been lower by Rs. 75 lakhs as at March 31, 2022.</p>	<p>The matters in Paragraph 1 read along with Note 43 to Consolidated Financial Statement which is re-iterated below, are self-explanatory and do not require further comments:</p> <p>The Group records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognized as sale of power in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.</p>
4.	<p><u>Paragraph (a) to (g) of Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) on Standalone and Consolidated Financial Statement</u></p> <p>According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2022:</p>	<p>In the opinion of the management, all companies under Azure Power Global Limited (“APGL/Holding Company”), including Azure Power India Private Limited and its subsidiaries (“Group”), operate as one unit, having common systems, processes, controls, and resources which are used by all components of the Group. The Group has a common Internal Control framework applicable to all the subsidiaries including the Company.</p>



- a) In Note 51 of the Company's financial statements, and paragraph 1 of the Basis for Qualified Opinion in our audit report regarding various whistleblower issues, the findings of independent investigators engaged by the Company highlight potential damages resulting from possible fraud, corrupt acts or other misconduct of the past employees, including some former senior executives of the Company. These findings indicate the material weakness in the Group's internal financial controls with reference to the financial statements.
- b) Material weaknesses were noted in the Group's financial reporting and closing process. These weaknesses have necessitated restatements to account for adjustments in income tax provisions for prior years and intercompany transactions. Additionally, the deficiency in the financial reporting and closing process has led to significant delays in the completion of these financial statements. There is a risk that such delays may result in non-compliance with certain provisions of the Companies Act, 2013, and other relevant legislations, potentially incurring various fines and penalties.
- c) In the course of our audit, we observed deficiencies in the Group's processes related to the approval of manual journal entries and management's oversight of estimates and the accrual of expenses, as well as in the monitoring of purchase order systems for the necessary disclosure of commitments. The absence of clearly defined review controls and specified key thresholds raises concerns about the potential for material misstatements in the financial statement disclosures. These deficiencies could affect the reliability and accuracy of the reported financial position and financial performance of the Group.
- d) During our audit, we identified deficiencies in the Group's internal control systems related to land procurement processes. There were material weakness in selection and approval mechanism for land aggregators and safeguarding of land ownership documents. Additionally, we noted lapses in the oversight of project construction status and controls over the documents needed for issuance of project commissioning certificates. These material weaknesses could result in improper capitalization of Property, Plant & Equipment ("PPE") and Capital Work-in-progress, which could lead to material misstatements in the Group's financial statements and disclosures.
- e) The Group did not have an appropriate internal control system for the periodic reconciliation of vendor balances.
- f) The Group did not have appropriate controls over Project financing with respect to covenant compliances.
- g) The Group did not have adequate controls over the preparation and review of periodic bank reconciliations, as well as the procedures for opening and closing of the Group's bank accounts. Additionally, the fund management policies and the processes for vendor advance payments are not sufficiently

Group Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting includes maintaining records that, in reasonable detail, accurately and fairly reflect Company's transactions; provide reasonable assurance that transactions are recorded as necessary for preparation of Company's financial statements; provide reasonable assurance that receipts and expenditures of company assets are made in accordance with Group Management authorization; and provide reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on Company's financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of Company's financial statements would be prevented or detected. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Group Management used the Committee of Sponsoring Organizations of the Treadway Commission Internal Control—Integrated Framework (2013), or the COSO framework, to evaluate the effectiveness of Company's internal control over financial reporting.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement in Company's annual or interim financial statements would not be prevented or detected on a timely basis. The scope of Group Management's assessment of the effectiveness of internal control over financial reporting includes all of Company's consolidated operations. Group Management determined that Company's internal controls over financial reporting were ineffective due to inadequacy of certain review controls including control failures in financial statement closing procedures, controls pertaining to capitalization, vendor selection process, land acquisition, documentation on testing of control attributes and completeness and accuracy of reports used including inadequate consideration in designing of risk and controls matrices.

Group Management, under the supervision of the Ultimate Holding Company's Audit and Risk Committee, has initiated remediation actions focused on improving the Group's internal control and compliance



robust. Deficiencies were also found in the review and approval processes for interest calculation on term loans, and the review and approval of treasury schedules and loans. These control deficiencies could potentially result in material misstatements in the financial records and disclosures.

environment to address the control deficiencies that led to material weaknesses. Group Management is taking support from external consultants while performing this remediation exercise. These efforts include creation of a Group Management Assurance Service function, assessing and strengthening internal control framework, testing operational controls, adding accounting personnel for assistance on critical accounting matters, training of team members, implementing additional process level reviews, and periodic monitoring by the Ultimate Holding Company's Audit and Risk Committee of the effectiveness of the remedial efforts and overall reporting framework. As it continues to implement such remediation, Group Management may take additional measures or modify the plan elements described above.

Group Management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even the most effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements and can only provide reasonable assurance with respect to the preparation and presentation of our financial statements.

For and on behalf of the Board of Directors
AZURE POWER INDIA PRIVATE LIMITED



Sugata Sircar
Director
DIN: 01119161
Date: 12th January, 2024
Place: New Delhi



Sunil Kumar Gupta
Managing Director
DIN: 07095152
Date: 12th January, 2024
Place: New Delhi





ABHISHEK GUPTA & ASSOCIATES
COMPANY SECRETARIES

Office : 16/10, 1st Floor,
New Rohtak Road, Near MTNL Office,
Karol Bagh, New Delhi-110005
Mobile : +91 99 1085 9837 (India)
Tel. Fax : 011 42430303
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FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Azure Power India Private Limited,
Unit No. 409 & 410, 4th Floor, Southern Park, D2,
Saket Place, Saket, South Delhi, New Delhi, 110017, India

I have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Azure Power India Private Limited (CIN: U40106DL2008PTC174774)** (herein after referred to as 'the **Company**'), having its Registered Office at Unit No. 409 & 410, 4th Floor, Southern Park, D2, Saket Place, Saket, South Delhi, New Delhi, 110017, India. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ('Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- A. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:
- The Companies Act, 2013 (the Act) and the rules made thereunder;
 - The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not applicable to the Company during the Audit Period**);



- (iii) The Depositories Act, 1996 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and Bye-laws framed thereunder **(Not applicable to the Company during the Audit Period);**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of its applicability.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period);**
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the Audit Period);**
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
- f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 **(Not applicable to the Company during the Audit Period);**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit Period);**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- i) The Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**



- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
- k) The Securities and Exchange Board of India SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 **(Not applicable to the Company during the Audit Period);** and
- l) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable to the Company during the Audit Period);**
- (vi) Laws specifically applicable to the industry to which the company belongs, as identified by the management, that is to say:

Legislation Name:

- a) Payment of Wages Act, 1936
b) The Payment of Bonus Act, 1965
c) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
d) Employees' State Insurance Act, 1948
e) The Minimum Wages Act, 1948
f) Payment of Gratuity Act, 1972
g) Employee Taxation as per Income Tax Act, 1961
h) Employee Group Insurance Scheme and Maternity Benefits.
i) Shops and Establishment Act & Rules thereunder.
j) The Contract Labour (Abolition & Repeal) Act & and Rules thereunder
k) Environment (Protection) Act, 1986
l) The Air (Prevention and Control of Pollution) Act, 1981
m) The Water (Prevention and Control of Pollution) Act, 1974
n) The Noise Pollution (Regulation and Control) Rules, 2000
o) Hazardous Wastes (Management and Handling) Rules, 1989
p) Factories Act, 1948

B. I have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. **(Not applicable to the Company during the Audit Period);**
- C. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to filing of certain e-forms with additional fees.



D. I further report that

- a) The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.
- d) As per the information and explanations as provided to me, by the officers and management of the Company during Secretarial Audit, the Labour Laws & other General Laws which may be specifically applicable to the Company including The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 were applicable on the Company during the Financial Year. I have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances of the said laws.
- e) As per the minutes of the meetings of the Board and Committees of the Board signed by the Chairman, all the decisions of the Board were adequately passed and the dissenting members' views, if any, was captured and recorded as part of the minutes.
- f) As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

E. I further report that during the audit period the company has:

- a. The company has passed special resolution on 31st January, 2022 for issue of 24,33,822 Equity Shares on preferential basis by way of private placement to Azure Power Global Limited.
- b. The company has received whistle-blower complaints on various matters, including lapses in internal control for certain key areas, governance and vendor management. The Board of Directors of the ultimate holding company engaged external counsel and forensic advisors to undertake investigations on the allegations thereof. Further, in one of the ongoing investigations, a special committee of the Board of Directors of the ultimate parent company ("Special Committee") was convened in August



2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. The Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that individuals formerly affiliated with the Parent Group may have had knowledge of, or were involved in, an apparent scheme with persons outside the Parent Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing.

- c. The Company has defaulted in conducting Annual General Meeting of the Company for Financial Year 2021-22 on due date.
- d. The Company has material weakness in internal financial controls system. Material weaknesses were noted in the Company's financial reporting and closing process. These weaknesses have necessitated restatements to account for adjustments in income tax provisions for prior years and intercompany transactions.

For Abhishek Gupta & Associates
Company Secretaries

A/G
12/4/2024
Abhishek Gupta
Proprietor



Place: New Delhi
Date: 12th January, 2024

M. No.: 9857; C.P. No.: 12262
UDIN: F009857E003220306
Peer Review Certificate No. 2375/2022

NOTE: THIS REPORT IS TO BE READ WITH 'ANNEXURE I' IS ATTACHED HEREWITH AND FORMS AN INTEGRAL PART OF THIS REPORT.

Annexure - I

The Members,
Azure Power India Private Limited,
Unit No. 409 & 410, 4th Floor, Southern Park, D2,
Saket Place, Saket, South Delhi, New Delhi, 110017, India

My Secretarial Audit Report for the financial year ended 31st March, 2022 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

For Abhishek Gupta & Associates
Company Secretaries


Abhishek Gupta
Proprietor



Place: New Delhi
Date: 12th January, 2024

M. No.: 9857; C.P. No.: 12262
UDIN: F009857E003220306
Peer Review Certificate No. 2375/2022

FORMAT OF THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1.	Brief outline on CSR Policy of the Company	Your Company believes in the Corporate Social Responsibility program based on shared values, responsible business, and exposure to voluntary social activities. The government guideline of utilizing minimum 2% of the company's average net profit during the immediately three preceding financial year is only a mandate; CSR is much beyond that. Any CSR project that we take up, we ensure that it is able to make a social and an economic impact. It also has an effect on the gender equality, caste and yield in the rural area where we intervene. A holistic approach is what helps us attain sustainability in any project. We truly believe that it's not just the funds, but true intentions and actions that go a long way
2.	Composition of CSR Committee (*as on the date of this report)	<ol style="list-style-type: none"> 1. Mr. Mangalath Unnikrishnan (Chairman) 2. Ms. Supriya Prakash Sen (Member) 3. Mr. Philippe Pierre Wind (Member)
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	https://investors.azurepower.com/corporate-governance/governance-documents
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)	Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - None

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
	Total		

6.	Average net profit of the company as per section 135(5)	NIL
7.	<ol style="list-style-type: none"> a) Two percent of average net profit of the company as per section 135(5) b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. c) Amount required to be set off for the financial year, if any d) Total CSR obligation for the financial year (a+b-c). 	NIL NIL NIL NIL

8. (a) CSR amount spent or unspent for the financial year: INR 84.4 (in lakhs) amount spent in FY 21-22

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
INR 84.4	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs. Thousand)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
1.	Skill Development	ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Yes	Ananthpur (Andhra Pradesh), Chachar, Nagaon, Kamrup, Udalguri (Assam); Muktsar Sahib (Punjab); Jodhpur (Rajasthan)		3318	Yes	Probe Research & Social Development Pvt. Ltd.	-
2.	Donation of Smart Class	ii) promoting education, including special education	Yes	Kurnool (Andhra Pradesh) East Delhi (Delhi)		1341	Yes	DELTA IT NETWORK PVT	

		and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;		Sabarkantha (Gujarat), Chitradurga (Karnataka), Muktsar Sahib (Punjab), Nagar Kurnool (Andhra Pradesh), Jalaun, Shahjahanpur (Uttar Pradesh)			LTD	
3	Donation of tablets to school students	ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Yes	Bikaner (Rajasthan)	59	Yes	Sidhshree Computronics (P) Ltd.	
4	Covid Support: Donation of BIPAP Machine	(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;	Yes	Bikaner (Rajasthan)	1560	Yes	Aradhya Health	
5	Covid Support: Donation of Oxygen Concentrator	(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;	Yes	Hiryur (Karnataka), Bikaner, Jayal, Jaisalmer, Bap (Rajasthan), Hardoi (Uttar Pradesh)	1221	Yes	SHREE BALAJI A	
6	Covid Support: Donation of PPE Kit	(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health	Yes	Kurnool (Andhra Pradesh), Pavagada, Hiryur (Karnataka), Bikaner, Jaisalmer, Bap (Rajasthan), Hardoi (Uttar	348	Yes	SHREE BALAJI A	



		care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;		Pradesh)				
7	Access to Drinking Water	(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;	Yes	Rajasthan	593	Yes	Gurudev Construction	

- (d) Amount spent in Administrative Overheads: Not applicable
(e) Amount spent on Impact Assessment, if applicable: Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 84.4 Lakhs
(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	84.4 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	84.4 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	84.4 Lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							



	Total							
--	-------	--	--	--	--	--	--	--

(a) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable

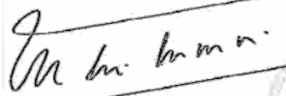
(asset-wise details).


- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors

AZURE POWER INDIA PRIVATE LIMITED


Mangalath Unnikrishnan
 Chairman (CSR Committee)
 DIN: 01460245




Sunil Kumar Gupta
 Managing Director
 DIN: 07095152



Date: 12th January, 2024
 Place: Mumbai

Date: 12th January, 2024
 Place: New Delhi

FORM- NO. AOC-2

Particulars of Contracts or Arrangements with related parties referred to in sub-section (1) of section 188 in the form AOC-2:

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:

(INR IN LAKHS)

Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/transactions	Duration of the contracts / arrangement s/transaction	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board/Committee, if any:	Amount paid as advances, if any:
Azure Power Thirty Four Private Limited (Subsidiary Company)	Construction Services rendered	-	-	-	-
Azure Power Forty Private Limited (Subsidiary Company)	Construction Services rendered	-	-	-	-
Azure Power (Rajasthan) Private Limited (Subsidiary Company)	Operation & Maintenance Services rendered	As per agreement	As per agreement	30/03/2013	-
Azure Power Mercury Private Limited (Subsidiary Company)	Operation & Maintenance Services rendered	As per agreement	As per agreement	27/03/2013	-
Azure Power Saturn Private Limited (Subsidiary Company)	Operation & Maintenance Services rendered	-	-	-	-
Azure Power Thirty Eight Private Limited (Subsidiary Company)	Operation & Maintenance Services rendered	-	-	-	-
Azure Power Forty Four Private Limited (Subsidiary Company)	Operation & Maintenance Services rendered	As per agreement	As per agreement	29/12/2016	-
Azure Power Fifty One Private Limited	Operation & Maintenance Services	-	-	-	-

(Subsidiary Company)	rendered				
Azure Power Maple Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Forty Three Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	16/04/2021 11/01/2022	-
Azure Power Forty One Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Pluto Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Forty Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	16/04/2021 11/01/2022	-
Azure Power Thirty Seven Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Thirty Three Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Power Infrastructure Private Ltd (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Sunrise Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Jupiter Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Thirty Four Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Photovoltaic Private Limited	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-

(Subsidiary Company)					
Azure Power (Raj.) Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Green Tech Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Clean Energy Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Urja Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Earth Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Sunshine Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Thirty Six Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Power Venus Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Power (Karnataka) Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power (Haryana) Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Surya Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Eris Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-



Azure Power Makemake Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Power Mars Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power (Punjab) Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Power Uranus Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022 12/01/2022	-
Azure Power (Rajasthan) Private Limited (Subsidiary Company)	Management Services rendered	As per Service Agreement	As per Service Agreement	11/01/2022	-
Azure Solar Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Rooftop One Private Limited (Fellow Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty One Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty Two Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty Three Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty Four Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty Nine Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-



Azure Power Sixty Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Sixty two Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Kotuma Wind Parks Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Two Wind Energy Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Fifty Seven Private Limited (Subsidiary Company)	Management Services rendered	-	-	-	-
Azure Power Global Limited (Holding Company)	Management Services rendered	-	-	-	-
Azure Urja Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power Thirty Six Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Photovoltaic Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power Infrastructure Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power (Raj.) Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Green Tech Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Sunrise Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-



Company)					
Azure Power Makemake Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power Pluto Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power Uranus Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power Thirty Seven Private Limited (Subsidiary Company)	Sale of Goods & Services	-	-	-	-
Azure Power (Karnataka) Private Limited (Subsidiary Company)	Sale of Capital goods & services	-	-	-	-
Azure Power Thirty Six Private Limited (Subsidiary Company)	Purchase of Goods & Services	-	-	-	-
Mr. Ranjit Gupta (Chief Executive Officer and Director)	Key Managerial Personnel Remuneration	-	-	-	-
Mr. Murali Subramanian (President)	Key Managerial Personnel Remuneration	-	-	-	-
Mr. Pawan Kumar Agrawal (Chief Financial Officer)	Key Managerial Personnel Remuneration	-	-	-	-
Azure Power Jupiter Private Limited (Subsidiary Company)	Corporate Guarantee Given	-	-	21/10/2021	-
Azure Power Forty Private Limited (Subsidiary Company)	Corporate Guarantee Given	-	-	23/12/2019	-
Azure Power Forty Three Private Limited (Subsidiary Company)	Corporate Guarantee Given	-	-	-	-
Azure Solar Private Limited (Subsidiary)	Corporate Guarantee Given	-	-	13/09/2021	-



Company)					
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*The aforesaid transactions have been carried out by the Company on an arm's length basis during the year under review.

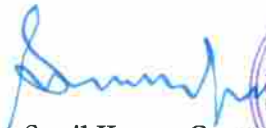
**For and on behalf of the Board of Directors
AZURE POWER INDIA PRIVATE LIMITED**



**Sugata Sircar
Director
DIN: 01460245**



Date: 12th January, 2024
Place: New Delhi



**Sunil Kumar Gupta
Managing Director
DIN: 07095152**



Date: 12th January, 2024
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of Azure Power India Private Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Azure Power India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The matters in Paragraph 1 below should be read along with Note 51 to the accompanying standalone financial statements which describes more fully certain key events that took place during the year.

1. During the year and subsequent to the year end, the Company, parent company, and some subsidiaries (collectively referred to as the 'Group'), have received various complaints via the Group's common whistleblower mechanism. In response, the Board of Directors and Audit and Risk Committee of the parent company appointed external legal counsels to conduct investigations into the significant issues highlighted by the complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, and problems with vendor management. Specifically, the whistleblower complaints allege misconducts such as obtaining invalid commissioning certificates through the submission of falsified information to regulatory bodies in one project and the concealment and misrepresentation of facts by former senior management to the Board of Directors of the parent company.

A special committee was constituted by the Board of Directors of the parent company ('the Special Committee'), to review certain material projects and contracts for anti-corruption and related compliance issues. Independent external counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that certain former senior management of the parent company may have been involved and certain former directors of the parent company may have had the knowledge of an apparent scheme with persons outside the Company to make improper payments in relation to certain projects. The Special Committee's investigation is not yet complete. The current Board of Directors of the parent company has represented to us that none of them were aware of such apparent scheme. As informed by the management, no adjustments would be necessary in the standalone financial statements of the company for the financial year ended March 31, 2022. Refer to Annexure 1 for the representation. In view of pending investigation, we are unable to comment whether the outcome of the investigation will result in possible adjustments and/or disclosures to the standalone financial statements, and the status of compliance with the applicable laws and regulations.



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The Company functions within a shared control environment, and there are identified design deficiencies noted in some of the key controls in significant areas. Refer to our 'Adverse Report' on Internal Control and Financial Report provided in Annexure C as referred to in para 2(g) of the report. These deficiencies constitute material weaknesses. These weaknesses could have impacted the external legal counsel's capacity to ascertain the completeness of the information provided.

The issues highlighted above may lead to contractual, civil, and criminal consequences under both Indian and U.S. law, potentially affecting both the Group including the Company. The impact, if any, on the Company's standalone financial statements is currently not ascertainable.

2. Refer Note 52 to the accompanying standalone financial statements, which describes the matters relating to non-compliances with certain provisions of the Companies Act, 2013 ("the Act") with respect to the adoption of the annual audited standalone financial statements for the year ended March 31, 2022 before the shareholders in the Annual General Meeting within the stipulated time as prescribed under Section 96 of the Act. Hence, the Company has also not complied with the provisions of Section 137 of the Act relating to the filing of standalone financial statements with the Registrar of Companies ("ROC") and with Section 92 relating to the filing of annual returns. The consequential impact of the said non-compliance, including the liability for penal charges, if any, on the standalone financial statements, including the consequential impact under other applicable laws and regulations is presently not ascertainable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone financial statements:

- a) Refer Note 44 to the accompanying standalone financial statements regarding the restatements carried out by the Company, in accordance with the requirements of Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" on account of retrospective adjustments pertaining to the matters as described in detail in the aforesaid note.

Our opinion is not modified in respect of these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report including Annexures to Director's Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The other information included in the Director's Report have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) Except for the possible effect of the matters described in the Basis for Qualified Opinion above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



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- (b) Except for the effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) In our opinion, the matters described in the Basis for Qualified Opinion paragraph above and the Adverse Opinion on adequacy of internal financial controls in Annexure C of our report, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its standalone financial statements - Refer Note 32(b) to the accompanying standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 49(iv) to the accompanying standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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- b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 49(v) to the accompanying standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement;

- v. The Company has neither declared nor paid any dividend during the year.
3. In our opinion, according to information, explanations given to us, the provisions of section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Piyush Maheshwari
Partner
Membership No. 516964
UDIN: 23516964BGXHJV5534



Place: Gurugram
Date: December 30, 2023

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Chartered Accountants

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZURE POWER INDIA PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Piyush Maheshwari
Partner
Membership No. 516964
UDIN: 23516964BGXHJV5534



Place: Gurugram
Date: December 30, 2023

MSKA & Associates

Chartered Accountants

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZURE POWER INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

- (a) A. The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (excluding Right of Use asset). The details of the same are as below:

Description of Property, Plant and Equipment	Written down value as at March 31, 2022 (INR in Lakhs)
Plant and Machinery	2,830

B. The Company has maintained proper records showing full particulars of intangible assets.

- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover Inverter, Transformer and Modules (forming part of Property, Plant and Equipment) over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. However, in respect of Property, Plant and Equipment (including Right of use asset), other than above have not been physically verified by the Management during the year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any have been properly dealt with in the books of account. Also, Refer Annexure C to the Independent Auditor's Report.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company. Further, title deeds of immovable properties which are pledged with the trustee have been independently confirmed by the trustee and verified by us.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceedings have been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii.

- (a) The Company does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) The Company has not been sanctioned any working capital limits during the year. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.



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iii.

- (a) According to the information explanation provided to us, the Company has provided loans and given guarantee to any other entity. However, the company has not provided advances in the nature of loans or provided security to any other entity.

The details of such loans or advances and guarantees or security to subsidiaries and Associates are as follows:

	Guarantees (INR in Lakhs)	Security (INR in Lakhs)	Loans (INR in Lakhs)	Advances in the nature of loans (INR in Lakhs)
Aggregate amount granted/provided during the year - Subsidiaries	98,600	-	1,85,034	-
Balance Outstanding as at balance sheet date in respect of above cases - Subsidiaries - Associates	51,600	-	1,14,454	-

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made, guarantees provided, securities given and / or grant of all loans are not prejudicial to the interest of the Company.
- (c) In case of the loans, schedule of repayment of principal and payment of interest have been stipulated. However, the borrowers have repaid the principal amount as stipulated but they have not been regular in the payment of interest to the Company. The details of the same are follows:

Name of the entity	Amount (INR in Lakhs)	Due Date	Date of Payment	Remarks, if any
Azure Power Forty-One Private Limited	1,958	November 09, 2021	Payment is still outstanding.	Company is in the process of recovering the outstanding amount and expecting the same to be recovered in Financial Year 23-24.
Azure Power Maple Private Limited	642	September 30, 2021		
Azure Power (Rajasthan) Private Limited	42	September 14, 2021		
Azure Power Forty Three Private Limited	3,683	January 31, 2022		



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(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal amount overdue (INR in Lakhs)	Interest overdue (INR Lakhs) in	Total overdue (INR in Lakhs)	Remarks (if any)
4	Nil	3,525	3,525	Company is in the process of recovering the outstanding amount and expecting the same to be recovered in Financial Year 23-24.

(e) According to the information explanation provided to us, the loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has granted loans during the year. These are not repayable on demand / have stipulated the schedule for repayment of principal and interest. Hence, the requirements under paragraph 3 (iii)(f) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Companies Act, 2013 are applicable. Further, there are no reportable matters under Section 186(1) of the Companies Act, 2013. Furthermore, since the Company is an infrastructure company within the meaning of Schedule VI of the Companies Act, 2013, the other provisions of section 186 of the Companies Act, 2013 is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2022 on account of any dispute, are as follows:



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Name of the statute	Nature of dues	Amount Demanded (INR in Lakhs)	Amount Paid (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Property Tax	846	-	From FY 2015-16 to FY 2020-21	High Court of Delhi	No Remarks
Andhra Pradesh Act on Entry of Goods Act, 2001	Entry Tax	1,130	-	FY 2016-17	High Court of Andhra Pradesh	No Remarks
Andhra Pradesh Act on Entry of Goods Act, 2001	Entry Tax	2,246	-	FY 2017-18	High Court of Andhra Pradesh	No Remarks

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that have not been recorded in the books of accounts.
- ix.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
 - According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any Bank or financial institution as on March 31, 2022. However, the company has not taken any loan from government or any government authority.
 - In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
 - According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
 - According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds during the year from an any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
 - According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.



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- x.
- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
 - (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 and Section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xi.
- (a) During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we were informed of certain allegations which the Group has received through the whistle blower mechanism set up at the group level which has been considered by us for any bearing on our audit and reporting under this clause. However, there is no allegation which pertains to the Company. Refer to Para 1 of the 'Basis of Qualified Opinion' paragraph in Independent Auditor's Report.
 - (b) Since no allegation pertains to the Company, reporting to the Central Government in accordance with the provisions of Section 143(12) of the Act is not applicable.
 - (c) During the course of our examination of the books of accounts and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Group has received whistle blower complaints during the year and subsequent to the year end, which has been considered by us in determining the nature, timing and extent of the audit procedures. Refer to Para 1 of the 'Basis of Qualified Opinion' paragraph in Independent Auditor's Report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, read with our opinion in 'Annexure C to the Independent Auditor's Report', the Company did not have an internal audit system commensurate with its size and nature of its business.
 - (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi.
- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
 - (b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.



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- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Group does not have CIC as a part of its group. Hence, the provisions stated in paragraph 3 (xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has incurred cash losses in the current financial year amounting to INR 8,342 Lakhs but has not incurred any cash losses during the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditor during the year and we have taken into consideration issues, objections or concerns raised by the outgoing auditor.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Piyush Maheshwari

Partner

Membership No.: 516964

UDIN: 23516964BGXHJV5534



Place: Gurugram

Date: December 30, 2023

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZURE POWER INDIA PRIVATE LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Azure Power India Private Limited on the Standalone Financial Statements for the year ended March 31, 2022]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Adverse Opinion

We have audited the internal financial controls with reference to the standalone financial statements of Azure Power India Private Limited (hereinafter referred to as "the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

The Group works on a common control environment accordingly, the controls have been designed to operate at a group level irrespective of whether certain controls in respect of particular process may not be applicable during the year for a particular subsidiary.

In our opinion, because of the possible effects of the material weaknesses described below in the Basis for Adverse Opinion section of our report on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls with reference to financial statements and such internal financial controls were not operating effectively as of March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2022:

- a) In Note 51 of the Company's standalone financial statements, and paragraph 1 of the Basis for Qualified Opinion in our audit report regarding various whistleblower issues, the findings of independent investigators engaged by the Company highlight potential damages resulting from possible fraud, corrupt acts or other misconduct of the past employees including some former senior executives of the Company. These findings indicate the material weakness in the Company's internal financial controls with reference to the standalone financial statements.
- b) Material weaknesses were noted in the Company's financial reporting and closing process. These weaknesses have necessitated restatements to account for adjustments in income tax provisions for prior years and intercompany transactions. Additionally, the deficiency in the financial reporting and closing process has led to significant delays in the completion of these standalone financial statements. There is a risk that such delays may result in non-compliance with certain provisions of the Companies Act, 2013, and other relevant legislations, potentially incurring various fines and penalties.



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Chartered Accountants

- c) In the course of our audit, we observed deficiencies in the Company's processes related to the approval of manual journal entries and management's oversight of estimates and the accrual of expenses, as well as in the monitoring of purchase order systems for the necessary disclosure of commitments. The absence of clearly defined review controls and specified key thresholds raises concerns about the potential for material misstatements in the standalone financial statement disclosures. These deficiencies could affect the reliability and accuracy of the reported financial position and financial performance of the Company.
- d) During our audit, we identified deficiencies in the Company's internal control systems related to land procurement processes. There were material weakness in selection and approval mechanism for land aggregators and safeguarding of land ownership documents. Additionally, we noted lapses in the oversight of project construction status and controls over the documents needed for issuance of project commissioning certificates. These material weaknesses could result in improper capitalization of Property, Plant & Equipment ("PPE") and Capital Work-in-progress, which could lead to material misstatements in the Company's standalone financial statements and disclosures.
- e) The Company did not have an appropriate internal control system for the periodic reconciliation of Vendor balances.
- f) The Company did not have appropriate controls over Project financing with respect to covenant compliances.
- g) The Company did not have adequate controls over the preparation and review of periodic bank reconciliations, as well as the procedures for opening and closing of the Company's bank accounts. Additionally, the fund management policies and the processes for vendor advance payments are not sufficiently robust. Deficiencies were also found in the review and approval processes for interest calculation on term loans, and the review and approval of treasury schedules and loans. These control deficiencies could potentially result in material misstatements in the financial records and disclosures.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual standalone financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported in point no (a) and (d) above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2022, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements with respect to these matters.

We have considered the material weaknesses identified and reported in point no (b), (c), (e), (f) and (g) above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2022, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company with respect to these matters.



Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.



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Inherent Limitations of Internal Financial Controls With reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Piyush Maheshwari
Partner
Membership No. 516964
UDIN: 23516964BGXHJV5534



Place: Gurugram
Date: December 30, 2023

MSKA & Associates

Chartered Accountants

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AZURE POWER INDIA PRIVATE LIMITED

Azure Power Global Limited

Certified Extract of the Minutes of the Board Meeting of Azure Power Global Limited (the "Company") held on 06 November 2023 at 05:00 p.m. (Mauritius Time).

"...4. Note of Representation for Auditors

It was noted that a Special Committee of the Board of Directors (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that individuals formerly affiliated with the Company may have had knowledge of, or were involved in, an apparent scheme with persons outside the Company to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation was still ongoing. The Special Committee's review and its findings could impact the decision-making of the Company, in connection with such projects. The Company has disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and the Group continues to cooperate with those agencies.

In this context, the directors currently on the Board of the Company and its subsidiary company, Azure Power India Private Limited, have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation.

Further, after due deliberation, it was concluded by the ARC that no adjustments would be necessary in the financial statements of the Company for FY 2022 as approved by the Board..."

CERTIFIED TRUE EXTRACT



Eric Ng Tim On
For and on behalf of
AAA Global Services Ltd
Company Secretary

Date: 09 November 2023



C/o AAA Global Services Ltd
4th Floor, Iconebene, Rue de L'Institut, Ebene, 80817, Mauritius.
Tel : 4543200 Fax : 4543202

Azure Power India Private Limited
Standalone Balance Sheet as at March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021*	As at April 1, 2020*
Assets				
Non-current assets				
Property, plant and equipment	3	1,47,116	1,52,220	1,61,241
Right-of-use assets	31	4,031	4,555	8,020
Capital work-in-progress	3	1,047	518	875
Intangible assets	4	37	250	543
Non-current Investments	4A	3,27,677	3,07,065	3,25,434
Financial assets	5			
- Trade receivables	5.1	40,805	38,354	38,888
- Loans	5.2	37,830	59,278	9,098
- Other financial assets	5.3	37,668	37,059	22,338
Deferred tax assets (net)	16	10,381	5,262	1,331
Income tax assets (net)	6	3,941	2,525	2,959
Other non current assets	7	1,118	1,918	3,349
Total non-current assets		6,11,651	6,09,004	5,74,076
Current assets				
Current Investments	4A	260	5,067	-
Financial assets				
- Trade receivables	8.1	20,014	13,116	15,586
- Cash and cash equivalents	8.2	38,114	17,038	24,929
- Other bank balances	8.3	18,927	5,596	11,295
- Loans	8.4	1,00,094	6,763	16,358
- Other current financial assets	8.5	27,160	8,334	587
Other current assets	9	7,941	3,840	5,385
Total current assets		2,12,510	59,754	74,140
Total assets		8,24,161	6,68,758	6,48,216
Equity and liabilities				
Equity				
Equity share capital	10	686	455	455
Other equity	11	5,11,702	3,45,630	3,74,576
Total equity		5,12,388	3,46,085	3,75,031
Non-current liabilities				
Financial liabilities				
- Borrowings	12.1	2,28,769	2,33,255	1,62,780
- Lease liabilities	31	3,033	3,129	6,693
- Other financial liabilities	12.2	4,278	14,025	2,005
Provisions	13.1	1,779	1,760	1,632
Other non-current liabilities	13.3	8,768	-	-
Total non-current liabilities		2,46,627	2,52,169	1,73,110
Current liabilities				
Financial liabilities				
- Borrowings	14.1	36,436	54,518	53,355
- Lease liabilities	31	373	373	204
- Trade payables				
Total outstanding dues of micro enterprises and small enterprises	14.2	252	591	73
Total outstanding dues of creditors other than micro enterprises and small enterprises	14.2	8,067	2,589	5,146
- Other current financial liabilities	14.3	18,086	5,772	40,799
Provisions	13.2	354	231	140
Other current liabilities	15	1,578	6,430	358
Total current liabilities		65,146	70,504	1,00,075
Total liabilities		3,11,773	3,22,673	2,73,185
Total equity and liabilities		8,24,161	6,68,758	6,48,216

*Refer note 44 and 45 for restatement and reclassification respectively.

See accompanying notes to the financial statements 2.2 - 54

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Piyush Maheshwari
Piyush Maheshwari
Partner
Membership No: 516964
Place: Gurugram
Date: December 30, 2023



For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774

Sunil Gupta
Sunil Gupta
Managing Director
DIN: 07095152
Place: *Singapore*
Date: December 30, 2023

Sugata Sircar
Sugata Sircar
Director
DIN: 01119161
Place: **NEW DELHI**
Date: December 30, 2023

Kapil Sharma
Kapil Sharma
Company Secretary
Place: **New Delhi**
Date: December 30, 2023



Azure Power India Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2022
 (All amount in INR lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021*
Revenue			
Revenue from operations	17	32,365	37,948
Other income	18.1	2,268	3,074
Finance income	18.2	18,127	11,261
Total revenue		52,760	52,283
Expenses			
Construction, sub contracting and other site expenses	19	430	758
Employee benefits expense	20	3,046	17,744
Depreciation and amortization expense	21	5,635	10,801
Finance cost	22	39,391	28,913
Other expenses	23	18,699	26,401
Total expenses		67,201	84,617
Loss before tax		(14,441)	(32,334)
Tax expense:			
Deferred tax credit	16	(5,668)	(3,603)
Total tax benefit		(5,668)	(3,603)
Loss after tax		(8,773)	(28,731)
Other comprehensive income/ (expense)			
Items that will be reclassified to profit or loss			
Net movement on cash flow hedge reserve		1,619	(905)
Income tax effect on cash flow hedge reserve		(559)	316
Items that will not be reclassified to profit or loss			
Re-measurement (gains)/losses on defined benefit plans		(19)	(35)
Income tax effect on re-measurement gains/(losses) on defined benefit plans		10	12
Total other comprehensive Income/(expense)		1,051	(612)
Total comprehensive expense		(7,722)	(29,343)
Earnings per equity share: [Nominal value of share: INR 10 (March 31, 2021: INR 10)]			
(1) Basic earnings per share (in INR)	24	(180.20)	(631.25)
(2) Diluted earnings per share (in INR)	24	(180.20)	(631.25)

*Refer note 44 and 45 for restatement and reclassification respectively.

See accompanying notes to the financial statements 2.2 - 54

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For M S K A & Associates
 Chartered Accountants
 Firm Registration Number: 105047W

Piyush Maheshwari

Piyush Maheshwari
 Partner
 Membership No: 516964
 Place: Gurugram
 Date: December 30, 2023

For and on behalf of the board of directors of
Azure Power India Private Limited
 CIN: U40106DL2008PTC174774

Sunil Gupta

Sunil Gupta
 Managing Director
 DIN: 07095152
 Place: Singapore
 Date: December 30, 2023

Sugata Sircar

Sugata Sircar
 Director
 DIN: 01119161
 Place: NEW DELHI
 Date: December 30, 2023

Kapil Sharma

Kapil Sharma
 Company Secretary
 Place: New Delhi
 Date: December 30, 2023



Azure Power India Private Limited
Standalone Statement of Cash Flows for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021*
A Cash flows from operating activities		
Loss before tax	(14,441)	(32,334)
Adjustment for :		
Depreciation and amortisation expense	5,635	10,798
Interest income	(18,127)	(11,261)
Share based payment expense(net)	(2,806)	13,583
Foreign exchange fluctuation (net)	731	(12)
Amortisation of Performance bank guarantee	40	-
Amortisation of extension charges	14	-
Gain on lease modification	-	(475)
Miscellaneous income	(16)	(65)
Liabilities no longer required written back	(1,861)	(2,304)
Inter company balances written off (refer note 26)	3,679	-
Allowance for doubtful debts	167	-
Bad debts written off	-	1,768
Provision against impairment of assets	289	-
Deferred revenue	(423)	-
Provision for diminution in value of investments	167	19,815
Assets written off	467	23
Finance cost	39,391	28,913
Operating profit before working capital changes	12,906	28,449
Changes in working capital:		
(Increase)/Decrease in other non-current assets	(2)	587
(Increase)/Decrease in loans	-	1,439
(Increase)/Decrease in other current assets	(3,972)	1,547
Increase/ (Decrease) in trade receivables	(2,597)	2,509
Increase in other current and non current financial assets	(16,667)	-
Decrease/ (Increase) in trade payables	6,998	(2,027)
Increase/(Decrease) in other current and non current financial liabilities	3,708	(7,677)
(Decrease)/Increase in other current liabilities	(5,280)	1,375
Increase in current and non current provisions	196	149
Cash generated from operations	(4,710)	26,351
Income taxes (paid)/ received (net of refund)	(1,472)	434
Net cash flow (used in)/from operating activities (A)	(6,182)	26,785
B Cash flows from investing activities		
Net purchases of property, plant and equipment (including capital work in progress, capital advance and capital creditors)	69	(3,061)
Purchase of intangible assets	(38)	(78)
Interest received	13,266	2,993
Loans and advances given to subsidiaries/ fellow subsidiaries (refer note 26)	(1,85,034)	(74,656)
Loans and advances repaid by subsidiaries/ fellow subsidiaries (refer note 26)	1,13,161	5,434
Investment in equity shares of subsidiaries (refer note 26)	(20,741)	(5,086)
Investment in equity shares of associate	(938)	-
Proceeds from disposal of subsidiaries	5,304	-
Net investment in bank deposits (having the original maturity of more than three months)	(12,484)	(1,888)
Net cash used in investing activities (B)	(87,435)	(76,342)
C Cash flows from financing activities		
Net proceeds from issue of equity shares (including securities premium)	1,73,097	-
Net Proceeds from non current borrowings	2,26,198	90,780
Repayment of non current borrowings	(2,49,171)	(37,432)
Proceeds from current borrowings	-	15,285
Repayment of current borrowings	(15,155)	-
Proceeds from non-current borrowings from subsidiaries/ fellow subsidiaries (refer note 26)	54,321	-
Proceeds from current borrowings from subsidiaries/ fellow subsidiaries (refer note 26)	-	26,223
Repayment of non-current borrowings from subsidiaries/ fellow subsidiaries (refer note 26)	(45,174)	-
Repayment of current borrowings from subsidiaries/ fellow subsidiaries (refer note 26)	(172)	(19,815)
Finance cost paid	(28,852)	(32,695)
Payment of lease rent	(399)	(680)
Net cash flow from financing activities (C)	1,14,693	41,666
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	21,076	(7,891)
Cash and cash equivalents at the beginning of the year	17,038	24,929
Cash and cash equivalents at the end of the year (refer note 8.2)	38,114	17,038
Balances with scheduled banks:		
- In current accounts	20,203	1,440
- Deposits with original maturity of less than 3 months	17,911	15,598
Total cash and cash equivalents (refer note 8.2)	38,114	17,038

*Refer note 44 and 45 for restatement and reclassification respectively.



Azure Power India Private Limited
Standalone Statement of Cash Flows for the year ended March 31, 2022
 (All amount in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	Opening balance as at April 01, 2021	Cash flow (net)	Change in foreign exchange rate	Other changes*	Closing balance as at March 31, 2022
Non-current borrowings (including current maturities)	2,72,446	(13,826)	2,111	4,474	2,65,205
Current borrowings	15,327	(15,327)	-	-	-
Lease liabilities	3,502	(399)	-	303	3,406
Total liabilities from financing activities	2,91,275	(29,552)	2,111	4,777	2,68,611

Particulars	Opening balance as at April 01, 2020	Cash flow (net)	Change in foreign exchange rate	Other changes*	Closing balance as at March 31, 2021
Non-current borrowings (including current maturities)	1,81,450	53,348	(2,031)	39,679	2,72,446
Current borrowings	34,685	21,693	-	(41,051)	15,327
Lease liabilities	6,897	(680)	-	(2,715)	3,502
Total liabilities from financing activities	2,23,032	74,361	(2,031)	(4,087)	2,91,275

*Including adjustments of ancillary borrowing cost

Notes:

- The Cash Flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) on "Statement of Cash Flows" referred to Section 133 of Companies Act 2013.
- The accompanying notes are an integral part of the standalone financial statements.

See accompanying notes to the financial statements

2.2 - 54

As per our report of even date

For M S K A & Associates
 Chartered Accountants
 Firm Registration Number: 105047W

Piyush Maheshwari

Piyush Maheshwari
 Partner
 Membership No: 516964
 Place: Gurugram
 Date: December 30, 2023

For and on behalf of the board of directors of
Azure Power India Private Limited
 CIN: U40106DL2008PTC174774

Sunil Gupta

Sunil Gupta
 Managing Director
 DIN: 07095152
 Place: Singapore
 Date: December 30, 2023

Sugata Sircar

Sugata Sircar
 Director
 DIN: 01119161
 Place: NEW DELHI
 Date: December 30, 2023

Kapil Sharma

Kapil Sharma
 Company Secretary
 Place: New Delhi
 Date: December 30, 2023



Azure Power India Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2022
 (All amount in INR lakhs, unless otherwise stated)

Particulars	Reserves and surplus		Items of other comprehensive income		Total equity
	Surplus/(Deficit) in the statement of profit and loss	Securities premium*	Cash flow hedge reserve	Defined benefit plans	
A. Equity share capital					
For the year ended March 31, 2022					
Equity shares of INR 10 each issued, subscribed and fully paid					455
At April 01, 2021					455
Changes in equity share capital due to prior period errors					231
Restated Balance as at April 01, 2021					686
At March 31, 2022					686
For the Year ended March 31, 2021					
Equity shares of INR 10 each issued, subscribed and fully paid					455
At April 01, 2020					455
Changes in equity share capital due to prior period errors					231
Restated Balance as at April 01, 2020					686
At March 31, 2021					686
B. Other equity					
For the year ended March 31, 2022:					
At April 01, 2021	2,457	3,33,736	(1,595)	(61)	3,46,435
Adjustment relating to prior period errors**	-	(805)	-	-	(805)
Restated balance as at April 01, 2021	2,457	3,33,736	(1,595)	(61)	3,45,630
Loss for the year	-	(8,773)	-	-	(8,773)
Other comprehensive income/ (expense)	-	-	1,060	(9)	1,051
Total comprehensive income/ (expense)	2,457	3,33,736	(535)	(70)	3,37,908
Securities premium on issue of equity shares during the year, net of share issues expenses (refer note 10)	-	1,72,866	-	-	1,72,866
Deemed capital contribution by parent on account of employee stock option plan (refer note 25)	928	-	-	-	928
At March 31, 2022	3,385	5,06,602	(535)	(70)	5,11,702
For the year ended March 31, 2021:					
At April 01, 2020	2,060	3,33,736	(1,006)	(38)	3,70,380
Adjustment relating to prior period errors**	-	3,996	-	-	3,996
Restated balance as at April 01, 2020	2,060	3,33,736	(1,006)	(38)	3,74,576
Loss for the year**	-	(28,731)	-	-	(28,731)
Other comprehensive expense	-	-	(589)	(23)	(612)
Total comprehensive income/ (expense)	2,060	3,33,736	(1,595)	(61)	3,45,233
Deemed capital contribution by parent on account of employee stock option plan (refer note 25)	397	-	-	-	397
At March 31, 2021	2,457	3,33,736	(1,595)	(61)	3,45,630

*The amount is net of share issue expenses.
 **Refer note 44 and 45 for restatement and reclassification respectively.
 See accompanying notes to the financial statements

For M S K A & Associates
 Chartered Accountants
 Firm Registration Number: 105047W

Piyush Vaishnavi
 Partner
 Membership No: 516964
 Place: Gurugram
 Date: December 30, 2023



For and on behalf of the board of directors of
Azure Power India Private Limited
 CIN: U40106DL2008PTC174774

Samir Gupta
 Managing Director
 DIN: 07095152
 Place: **NEW DELHI**
 Date: December 30, 2023

Kapil Sharma
 Company Secretary
 Place: **NEW DELHI**
 Date: December 30, 2023



Azure Power India Private Limited
Notes to financial statements for the year ended March 31, 2022
(INR amount in lakhs, unless otherwise stated)

1. Corporate information

Azure Power India Private Limited (“the Company”) is a private Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is a subsidiary of Azure Power Global Limited (“APGL”) (collectively referred as Group). The registered office of the company is located at 4th Floor, Southern Park, D-II, Saket Place, Saket, New Delhi 110017.

The Company’s primary business includes generation of solar energy and developing and managing infrastructure for solar power. The company pledges its plant to obtain long term loans. As per the legal view obtained by the Company, it is regulated under the Electricity Act, 2003.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto and other relevant provisions of the Companies Act, 2013.

The financial statements were authorised for issue by the Company’s Board of Directors on December 30, 2023.

The Ind AS standalone financial statements have been prepared on the accrual and going concern basis and the historical cost convention, except for the following assets and liabilities which have been measured at fair value or revalued amount;

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Accounting policies have been consistently applied to all the years presented unless otherwise stated.

2.2 Summary of significant accounting policies

a) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;



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- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization/settlement in cash and cash equivalents. The companies have identified twelve months as their operating cycle for classification of their current assets and liabilities.

c) Property, plant and equipment

Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized. The Company considers the cost of the replacement as the cost of the replaced part, when it was acquired or constructed, in case it is not practicable to determine the separate cost of the component of asset. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Capital work in progress ("CWIP")

Capital work-in-progress includes cost of property, plant and equipment that are not ready for use at the balance sheet date.



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e) Depreciation

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, company is depreciating the assets based on technical assessment made by technical expert and management estimate.

Depreciation on property plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment.

The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in following cases are different from lives prescribed under Schedule II of the Companies Act, 2013 based upon the nature of asset, the operating condition of the asset, the estimated usage of the asset, past history of replacement and anticipated technological changes.

Category	Life as per Schedule II	Life considered
Building	30 years	35 years
Furniture and fixtures	10 years	5 years
Vehicles	8/10 years	5 years
Office equipment	5 years	1-5 years

During the current year, the Company basis the technical assessment, have revised the useful lives of solar power project assets i.e., plant and machinery (excluding inverter) and building from 25 years to 35 years. These changes have been considered as change in accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and have been accounting for prospectively with effect from April 1, 2021.

The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

The assets' residual values and useful lives are reviewed at the end of each financial year or whenever there are indicators for impairment and adjusted prospectively.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting



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estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in the statement of profit and loss when the asset is derecognized.

g) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments



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made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(iv) The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 41 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing cost.

i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit and Loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:



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- a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The category applies to the Company's trade receivables, unbilled revenue, other bank balances, security deposits, etc.

Debt instrument at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals in the statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instrument included within FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- a) the contractual rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the asset to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, trade receivables and bank balances;
- financial asset that are debt instruments and are measured as at FVTOCI;
- trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For recognition of impairment loss on the financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g. trade receivables, unbilled revenue etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.



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- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix determined at the parent level to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial instruments is described below:

For financial assets measured at amortised cost: ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not



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subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets and financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operation. Such changes are evident to external parties. A change in the business model occurs when the company either or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediate next reporting period following the change in the business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognized in profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.



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FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, and interest rate swaps, to hedge its foreign currency risks, and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

In the normal course of business, the Company uses derivative instruments for mitigating the exposure from foreign currency fluctuation risks associated with forecasted transactions denominated in certain foreign currencies and to minimize cash flow volatility associated with changes in foreign currency exchange rates, and not for speculative trading purposes. These derivative contracts are purchased within the Company's policy and are with counterparties that are highly rated financial institutions.



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At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Company evaluates hedge effectiveness of cash flow hedges at the time a contract is entered into as well as on an ongoing basis. The ineffective portion of cash flow hedge is recorded as expense in statement of profit and loss. The cost of effective portion of cash flow hedges is expensed over the period of the hedge contract.

Undesignated contracts

Changes in fair value of undesignated derivative contracts are reported directly in statement of profit and loss along with the corresponding transaction gains and losses on the items being economically hedged. Realised gains (losses) and changes in the fair value of these foreign exchange derivative contracts are recorded in foreign exchange gains (losses), net in the statement of profit and loss. These derivatives are not held for speculative or trading purposes.

Cash flow hedges that meet the criteria for hedge accounting are accounted for, as described below

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The Company uses forward currency contracts and interest rate swaps as hedges of its exposure to foreign currency risk and interest volatility risk in forecast transactions and firm commitments.

Fair value hedge: hedging of foreign exchange exposure

Fair value hedge accounting is followed for foreign exchange risk with the objective to reduce the exposure to fluctuations in the fair value of firm commitments due to changes in foreign exchange rates.

Fair value adjustments related to non-financial instruments will be recognised in the hedged item upon recognition and will eventually affect statement of profit and loss as and when the hedged item is derecognised. Changes in the fair value of derivatives designated and qualifying as fair value hedges, together with any changes in the fair value of the hedged firm commitments attributable to the hedged risk, will be recorded in in the consolidated balance sheet. The gain or loss on the hedging derivative in a hedge of a foreign-currency-denominated firm commitment and the offsetting loss or gain on the hedged firm commitment is recognised in the statement of profit and loss in the accounting period, post the recognition of the hedged item in the balance sheet.

The Company does not have any net investment in a foreign operation.

Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred in the consolidated financial statement and are deconsolidated from the date that control ceases. For the purposes of Standalone Financial Statements Investment in subsidiaries are measured at cost as per Ind AS 27, *Separate Financial Statements*.



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Any acquisition costs related to acquisition is expensed when incurred.

All investments in subsidiaries are assessed for impairment on an annual basis in accordance with the policy of the Company.

In case of disposal of interest in a subsidiary, the control is remeasured at the date of transaction. Any consideration received in excess of the cost is recorded in statement of profit and loss.

j) Financial guarantees

Financial guarantees issued by the Company on behalf of group companies are designated as 'Insurance Contracts'. The Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in statement of profit and loss.

k) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the fair value of the consideration to which the Company expects to be entitled in exchange for those goods or services. Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of power

Revenue from sale of power is recognized when persuasive evidence of an arrangement exists, the fee is fixed or is determinable, solar energy kilowatts are supplied and collectability is reasonably assured. Revenue is based on the solar energy kilowatts actually supplied to customers (including the solar energy kilowatts supplied and not billed on reporting date) multiplied by the rate per kilo-watt hour agreed to in the respective Power Purchase Agreement (PPAs). The solar energy kilowatts supplied by the Company are validated by the customer prior to billing and recognition of revenue.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the company considers the effects of variable consideration and consideration payable to the customer (if any).

Revenue from the recovery of Safe-guard duties and Goods and Service Tax under the change in law provision are recognized over the PPA period based on terms agreed with customers or unless agreed otherwise once collectability is reasonably assured. The revenue of Safe-guard duties and Goods and Service Tax for the year is recognized by the company in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement.

Income from carbon credit emission

Revenue from the sale of carbon credit emissions are recognized at the time of transfer of carbon credits to the customers, at consideration agreed under the sale agreements.



Revenue from supply erection and installation contracts

The Company considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the construction of solar projects under development, the Company is responsible for the overall management of the project and identifies various goods and services to be provided, including Design and Engineering Work, Procurement and supply of materials, site preparation and foundation, erection and installation of solar power equipment, performance testing and commissioning. The Company accounts for these items as a single performance obligation because it provides composite service of integrating the goods and services (the inputs) into the completed project (the combined output) which the customer has contracted to buy.

For contracts that meet the over time revenue recognition criteria, the Company's performance is measured using an Input method, by reference to the costs Incurred to the satisfaction of a performance obligation relative to the total expected inputs to the completion of the project. The Company excludes the effect of any costs incurred that do not contribute to the Company's performance in transferring control of goods or services to the customer (such as unexpected amounts of wasted materials, labour or other resources) and adjusts the input method for any costs incurred that are not proportionate to the Company's progress in satisfying the, performance obligation (such as uninstalled materials).

Contract revenue earned in excess of billing has been reflected under other current assets and billing in excess of contract revenue has been reflected under current liabilities in the balance sheet.

Liquidated damages / penalties are provided for based on management's assessment of the estimated liability as per contractual terms and / or acceptances. Possible liquidated damages which can be levied by customers for delay in execution of project are accounted for as and when they are levied by the customer.

Viability Gap Funding (VGF)

The Company records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognised as sale of power in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

Management Fee

Management Fee are the services rendered to subsidiaries of Company. Revenue from such contracts are recognized in accordance with the terms of the agreement entered between the Company and these subsidiaries.

Contract assets

A contract asset is initially recognised for revenue earned for its right to consideration in exchange for goods or services transferred to the customer. If the Company perform by transferring goods or services to a customer before the customer pays consideration or before acceptance by the customer, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or



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the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade receivables

A trade receivable represents the right of entities forming part of Company to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (k) Financial instruments – initial recognition and subsequent measurement

Income from services

Revenue from maintenance contracts are recognised as and when services are rendered.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive payment is established by the balance sheet date. Dividends from subsidiaries are recognised even if same are declared after the balance sheet date if it pertains to period on or before the date of Balance Sheet as per the requirement of Schedule III of the Companies Act 2013.

Application of interpretation for Service Concession Arrangements (SCA)

The Management has assessed applicability of Appendix C of Indian Accounting Standards 115: Service Concession Arrangements for the power purchase agreement which the company has entered into. In assessing the applicability of SCA, the management has exercised significant judgement in relation to the underlying ownership of the assets, the attached risks and rewards of ownership, residual interest etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.

l) Government grants

Grants from the government are recognised at the fair value where there is a reasonable assurance that the grant will be received and the company will comply all with all attached conditions.

Government grant relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grant relating to purchase of property, plant and equipment are included in non- current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.



m) Foreign currency transactions

Functional and Presentation Currency

The Company's financial statements are presented in Indian Rupees (INR), which is the company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit and loss are also recognised in other comprehensive income or statement of profit and loss, respectively).

n) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.



Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

o) Income taxes

Tax expense represents the sum of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred Tax

Deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss, subject to exceptions as below:

- deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.



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Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

In the situations where the entity is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entities forming part of the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

p) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. The Company's chief executive officer is the chief operating decision maker.



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Considering the nature of Company's business and operations, as well as based on reviews of operating results by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment i.e. sale of power, in accordance with the requirements of Ind AS 108 "Operating Segments".

q) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for share options of the parent company (equity-settled transactions). Incremental fair value of the stock option granted relating to already vested options is recognised in the statement of profit and loss and the same has been treated as deemed contribution by parent.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expenses, except the cost of services which is initially capitalised by the Company as part of the cost of property, plant and equipment. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

For share-based payment transactions among group entities, in its separate or individual financial statements, the entity receiving the goods or services measures the goods or services received as either an equity-settled or a cash-settled share-based payment transaction by assessing:

- (a) the nature of the awards granted, and
- (b) its own rights and obligations.



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The entity receiving the goods or services measures the goods or services received as an equity-settled share-based payment transaction when:

- (a) the awards granted are its own equity instruments, or
- (b) the entity has no obligation to settle the share-based payment transaction.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the fair value of the liability are recognised in the statement of profit and loss, except the cost of services which is initially capitalised by the Company as part of the cost of property, plant and equipment.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.



Decommissioning liability

Upon the expiration of the lease agreement for solar power plants located on leasehold land, the Company is required to remove the solar power plant. The Company records a provision for such decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of right of use asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from right of use asset. Once the asset has been fully depreciated and the asset has nil net carrying amount (gross carrying amount less accumulated depreciation) of zero in the statement of financial position, further changes in any related provision for decommissioning are recognised in profit or loss.

t) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset exceeds recoverable amount and the asset is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.



u) Contingent assets/liabilities

Contingent assets are not recognised. However, when realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.



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External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

w) Cash and cash equivalents

Cash and cash equivalents in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

x) Events occurring after the balance sheet date

Impact of events occurring after the balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective financial statements areas.

y) Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost.

ab) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

ac) Changes in accounting policy and disclosures – New and amended standards

i. Other amendments

A number of minor amendments to existing standards also became effective on April 01, 2021 and have been adopted by the Company. The adoption of these new accounting pronouncements did not have a significant impact on the accounting policies, method of computation or presentation applied by the Company.

ii. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are not expected to have a significant impact on the Company's financial statements. The Company has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective. Refer the note 47- "Standards notified but not yet effective" in Notes to Financial Statements.



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	As at March 31, 2022	As at March 31, 2021
4A. Non-current investments		
Investment in equity shares of subsidiaries (at cost and unquoted)		
Details of investment in equity shares of subsidiaries		
1,26,523 shares (March 31, 2021: 1,26,523) equity shares of INR 10/- each fully paid up in Azure Power (Punjab) Private Limited#	1,813	1,813
49,12,787 shares (March 31, 2021: 49,12,787) equity shares of INR 10/- each fully paid up in Azure Power (Haryana) Private Limited#	3,929	3,929
10,93,521 (March 31, 2021: 10,93,521) equity shares of INR 10/- each fully paid up in Azure Solar Private Limited#	10,729	10,729
98,873 (March 31, 2021: 98,873) equity shares of INR 10/- each fully paid up in Azure Power (Rajasthan) Private Limited#	2,591	2,591
54,692 shares (March 31, 2020: 54,692) equity shares of INR 10/- each fully paid up in Azure Solar Solutions Private Limited**	-	-
75,623 shares (March 31, 2020: 75,623) equity shares of INR 10/- each fully paid up in Azure Sun Energy Private Limited**	-	-
1,04,532 shares (March 31, 2021: 1,04,532) equity shares of INR 10/- each fully paid up in Azure Urja Private Limited#	6,335	6,335
44,898 shares (March 31, 2021: 44,898) equity shares of INR 10/- each fully paid up in Azure Surya Private Limited#	1,523	1,523
37,776 shares (March 31, 2021: 37,776) equity shares of INR 10/- each fully paid up in Azure Power (Karnataka) Private Limited#	1,001	1,001
3,40,458 shares (March 31, 2021: 3,40,458) equity shares of INR 10/- each fully paid up in Azure Photovoltaic Private Limited#	8,989	8,989
1,96,054 shares (March 31, 2021: 1,96,054) equity shares of INR 10/- each fully paid up in Azure Power Infrastructure Private Limited#	9,460	9,460
4,17,742 shares (March 31, 2021: 4,17,742) equity shares of INR 10/- each fully paid up in Azure Power (Raj.) Private Limited#	9,115	9,115
56,402 shares (March 31, 2021: 56,402) equity shares of INR 10/- each fully paid up in Azure Green Tech Private Limited#	7,059	7,059
NIL (March 31, 2021: 1,22,893) equity shares of INR 10/- each fully paid up in Azure Renewable Energy Private Limited*	-	3,004
46,354 shares (March 31, 2021: 46,354) equity shares of INR 10/- each fully paid up in Azure Clean Energy Private Limited#	6,581	6,581
2,16,325 shares (March 31, 2021: 2,16,325) equity shares of INR 10/- each fully paid up in Azure Sunrise Private Limited#	9,100	9,100
Nil shares (March 31, 2020: 19,731) equity shares of INR 10/- each fully paid up in Azure Sunlight Private Limited **	-	-
56,335 shares (March 31, 2021: 56,335) equity shares of INR 10/- each fully paid up in Azure Sunshine Private Limited#	3,509	3,509
4,59,770 shares (March 31, 2021: 4,59,770) equity shares of INR 10/- each fully paid up in Azure Power Earth Private Limited#	17,154	17,154
71,445 shares (March 31, 2021: 71,445) equity shares of INR 10/- each fully paid up in Azure Power Eris Private Limited#	2,205	2,205
85,374 shares (March 31, 2021: 85,374) equity shares of INR 10/- each fully paid up in Azure Power Jupiter Private Limited#	3,757	3,757
2,68,474 shares (March 31, 2021: 2,68,474) equity shares of INR 10/- each fully paid up in Azure Power Makemake Private Limited#	7,626	7,626
1,24,583 shares (March 31, 2021: 1,24,583) equity shares of INR 10/- each fully paid up in Azure Power Mars Private Limited#	1,101	1,101
2,38,438 shares (March 31, 2021: 4,63,887) equity shares of INR 10/- each fully paid up in Azure Power Mercury Private Limited* #	816	1,600
7,76,874 shares (March 31, 2021: 7,76,874) equity shares of INR 10/- each fully paid up in Azure Power Pluto Private Limited#	24,914	24,914
1,26,640 shares (March 31, 2021: 1,26,640) equity shares of INR 10/- each fully paid up in Azure Power Uranus Private Limited#	1,239	1,239
1,65,135 shares (March 31, 2021: 1,65,135) equity shares of INR 10/- each fully paid up in Azure Power Venus Private Limited#	5,028	5,028
6,99,499 shares (March 31, 2021: 13,60,895) equity shares of INR 10/- each fully paid up in Azure Power Saturn Private Limited* #	2,043	4,002
9,28,836 shares (March 31, 2021: 9,28,836) equity shares of INR 10/- each fully paid up in Azure Power Thirty Three Private Limited#	35,713	35,713
29,52,087 shares (March 31, 2021: 29,52,087) equity shares of INR 10/- each fully paid up in Azure Power Thirty Four Private Limited#	15,904	15,904
1,00,000 shares (March 31, 2021: 1,00,000) equity shares of INR 10/- each fully paid up in Azure Power Thirty Five Private Limited	10	10
1,17,446 (March 31, 2021: 1,17,446) equity shares of INR 10/- each fully paid up in Azure Power Thirty Six Private Limited#	6,693	6,693
36,40,673 shares (March 31, 2021: 36,40,673) equity shares of INR 10/- each fully paid up in Azure Power Thirty Seven Private Limited#	5,607	5,607
1,20,402 shares (March 31, 2021: 2,36,082) equity shares of INR 10/- each fully paid up in Azure Power Thirty Eight Private Limited* #	1,945	3,886
86,765 shares (March 31, 2021: 86,765) equity shares of INR 10/- each fully paid up in Azure Power Thirty Nine Private Limited	604	604
26,32,123 shares (March 31, 2021: 25,13,077) equity shares of INR 10/- each fully paid up in Azure Power Forty Private Limited#	13,684	13,059
10,82,632 shares (March 31, 2021: 10,82,632) equity shares of INR 10/- each fully paid up in Azure Power Forty One Private Limited#	28,992	28,992
90,000 shares (March 31, 2021: 90,000) equity shares of INR 10/- each fully paid up in Azure Power Forty Two Private Limited	9	9
12,22,477 shares (March 31, 2021: 12,22,477) equity shares of INR 10/- each fully paid up in Azure Power Forty Three Private Limited#	34,191	34,191
1,45,449 shares (March 31, 2021: 2,82,976) equity shares of INR 10/- each fully paid up in Azure Power Forty Four Private Limited* #	2,333	4,513
NIL (March 31, 2021: 9,87,807) equity shares of INR 10/- each fully paid up in Azure Power Forty Six Private Limited**	-	-
27,56,629 shares (March 31, 2021: 7,22,005) equity shares of INR 10/- each fully paid up in Azure Power Maple Private Limited#	21,967	5,405
15,43,001 shares (March 31, 2021: 15,43,001) equity shares of US\$ 1 each fully paid up in Azure Power US Inc.	951	951
33,99,638 shares (March 31, 2021: 3,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty One Private Limited	2,099	31
13,26,537 shares (March 31, 2021: 3,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Two Private Limited	1,499	31
1,10,000 shares (March 31, 2021: 1,10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Three Private Limited (refer note 54)	11	11
10,000 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Four Private Limited (refer note 54)	1	1
32,300 shares (March 31, 2020: 32,300) equity shares of INR 10/- each fully paid up in Azure Power Forty Five Private Limited *	-	-
31,800 shares (March 31, 2020: 31,800) equity shares of INR 10/- each fully paid up in Azure Power Forty Seven Private Limited *	-	-
32,000 shares (March 31, 2020: 32,000) equity shares of INR 10/- each fully paid up in Azure Power Forty Eight Private Limited *	-	-
32,000 shares (March 31, 2020: 32,000) equity shares of INR 10/- each fully paid up in Azure Power Forty Nine Private Limited *	-	-
32,000 shares (March 31, 2021: 32,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Private Limited *	-	-
Nil shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Five Private Limited**	-	1
1,10,000 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Six Private Limited	11	1
10,000 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Seven Private Limited	1	1
10,000 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Azure Power Fifty Eight Private Limited	1	1
10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Fifty Nine Private Limited (refer note 54)	1	-
10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty Private Limited (refer note 54)	1	-
10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty two Private Limited (refer note 54)	1	-
10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty one Private Limited	1	-
10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty three Private Limited	1	-
10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Azure Power Sixty four Private Limited	1	-
10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Kotuma Wind Parks Private Limited	1	-
10,000 shares (March 31, 2021: Nil) equity shares of INR 10/- each fully paid up in Two Wind Energy Private Limited	1	-
Total	3,19,851	3,08,979



Azure Power India Private Limited
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 (All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Investment in Compulsorily Convertible Debentures (CCD) of subsidiaries (at cost)		
3,20,758 CCD (March 31, 2021: 3,20,758) in Azure Power Thirty Seven Private Limited	8,500	8,500
1,70,183 CCD (March 31, 2021: 1,70,183) in Azure Power Forty Three Private Limited	5,000	5,000
Total (B)	13,500	13,500
Investment in equity shares of Associates (at cost)		
2,600 shares (March 31, 2021: 2600) equity shares of INR 10/- each fully paid up in Waaree Power Private Limited***	-	-
3,96,206 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) **	961	-
Total (C)	961	-
Less:-		
Provision for diminution in value of investments (refer note 23 and 46)	6,635	15,414
Total (D)	6,635	15,414
Total (A+B+C-D)	3,27,677	3,07,065
Aggregate value of unquoted investments	3,34,312	3,22,479
Aggregate amount of impairment in value of investments	6,635	15,414

Investment in subsidiaries are measured at cost as per Ind AS 27, *Separate Financial Statements*.

* The Company entered into an agreement with the buyer for disposal of rooftop business through transfer of shareholding. During the current year the Company has transferred stake to the buyer pursuant to the agreement entered into (refer note 46).

** During the current year ended March 31, 2022, the Company has entered into a non-binding obligation with M/s Premier Energies limited ("Premier/ Manufacturer"), a solar module manufacturing company, relating to execution of tender received from SECI. The Company has invested INR 937 lakhs to acquire 26% of the equity shares of an entity, where Premier have invested in 74% of equity shares. Subsequent to the year end, the Company has entered into related module supply agreements and share and debentures subscription agreements with Premier. The Company is entitled for return of 10% p.a. on investment made under the agreement. During the current year, the Company has recognised income of INR 24 lakhs (Nil during March 31, 2021) on the investment.

***During the year ended March 31, 2020, the Company won a tender issued by Solar Energy Corporation of India Limited (SECI). Pursuant to the terms of the tender, the Company had agreed to a firm purchase commitment with a solar module manufacturer i.e. Waaree Power Private Limited to procure 2,800 MWs of modules. Pursuant to the terms of the tender, the Company had entered into a joint venture agreement on January 6, 2020 with a Waaree Power Private Limited to establish a manufacturing facility with a capacity of manufacturing 500 MW Solar PV Modules per annum. Accordingly, the Company had invested INR 0.26 lakhs (INR 0.26 lakhs as of March 31, 2021) to acquire 26% of the equity shares in a newly formed company incorporated as part of the joint venture agreement to establish a manufacturing facility (investec) and is committed to further invest 26% of the equity required for construction of the manufacturing facility, and additionally procure modules. Subsequent to year end the company has entered into a termination agreement with Waaree for the termination of the said contract and has accordingly recorded a loss on termination of contract amounting to INR 5,395 lakhs (refer note 23).

Current investments

Investment in equity shares of subsidiaries (at fair value and unquoted)###

NIL (March 31, 2021: 54,692) equity shares of INR 10/- each fully paid up in Azure Solar Solutions Private Limited*	-	1,240
75,623 shares (March 31, 2021: 75,623) equity shares of INR 10/- each fully paid up in Azure Sun Energy Private Limited	635	635
NIL (March 31, 2021: 19,731) equity shares of INR 10/- each fully paid up in Azure Sunlight Private Limited*	-	512
NIL shares (March 31, 2021: 9,87,807) equity shares of INR 10/- each fully paid up in Azure Power Forty Six Private Limited*	-	5,654
Total A	635	8,041
Less:-		
Provision for diminution in value of investments (refer note 23 and 46)	375	2,974
Total B	375	2,974
Total (A-B)	260	5,067
Aggregate value of unquoted investments	635	8,041
Aggregate amount of impairment in value of investments	375	2,974

#51% of investment made by the company in the subsidiaries is pledged against borrowing taken by the respective subsidiaries.

##100% of investment made by the company in the subsidiary is pledged against borrowing taken by the subsidiary.

Investments have been classified as current investments (refer note 46)



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated.)

	As at March 31, 2022	As at March 31, 2021						
5 Non-current financial assets								
5.1 Trade receivables								
Carried at amortised cost								
<i>Unsecured, considered good</i>								
Trade receivables-subidiaries (refer note 26)	32,254	38,354						
Trade receivables-others	8,551	-						
Total trade receivables	40,805	38,354						
Break-up for trade receivables								
From others								
Undisputed trade receivables, considered good	40,805	38,354						
Undisputed trade receivables, credit impaired	49	-						
Total	40,854	38,354						
Impairment allowance doubtful trade receivable (refer note 38)								
Undisputed trade receivables, credit impaired	(49)	-						
Total	40,805	38,354						
Trade receivables Ageing Schedule								
As at March 31, 2022	Unbilled receivables*	Non-current but not due**	Outstanding for following periods from due date of payment				Total	
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables, considered good	8,551	32,254	-	-	-	-	-	40,805
Undisputed trade receivables, credit impaired	49	-	-	-	-	-	-	49
	8,600	32,254	-	-	-	-	-	40,854
As at March 31, 2021	Unbilled receivables*	Non-current but not due**	Outstanding for following periods from due date of payment				Total	
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables, considered good	-	38,354	-	-	-	-	-	38,354
Undisputed trade receivables, credit impaired	-	-	-	-	-	-	-	-
	-	38,354	-	-	-	-	-	38,354
Notes:								
* Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Company is yet to raise invoices to the customer.								
** Non-Current but not due represent receivables which aren't due as per credit terms agreed with the customer.								
(i) Trade receivable are considered as non current pursuant to the restrictions under the bond indenture of Senior notes/Green bond issued by certain subsidiaries of Holding Company, referred as entities of the Restricted Group and will be settled post maturity of such Senior notes/ Green Bond. These balances are undisputed and are considered good.								
(ii) Trade receivables includes Safeguard duty (SGD) /GST receivables as at March 31, 2022 amounting to INR 8,600 lakhs (March 31, 2021 INR Nil). The company has recognised Safeguard Duty (SGD) claim in accordance with approval from Solar Exchange Corporation of India (SECI) & Central Electricity Regulatory Commission (CERC) in relation to 200 MW, Solar Power project located in Bhadla, stated that the total payment of compensation on account of SGD/GST amounting to INR 10,890 lakhs which shall be payable in form of monthly annuity amounting to INR 122 lakhs considering discount rate of 10.41% for a period of 13 years and balance payment in form of upfront amounting to INR 947 lakhs has already been received in previous year however the same has not been recognised in previous year due to lack of reasonable certainty.								
5.2 Loans								
<i>(Unsecured, considered good)</i>								
Carried at amortised cost								
Loans to subsidiaries/fellow subsidiaries (refer note 26)*	37,742	59,200						
Performance guarantee deposit	88	78						
Total	37,830	59,278						
* The long term loans granted to subsidiaries /fellow subsidiaries carries interest rate ranging between 8.20% p.a. to 10.60% p.a. having repayment terms of 3-20 years along with interest.								
5.3 Other financial assets								
(Carried at amortised cost, unless otherwise stated)								
Security deposits	458	149						
Term deposits*	25,764	26,611						
Interest accrued on term deposits	512	1,973						
Interest accrued on loans to subsidiaries and fellow subsidiaries (refer note 26)	4,778	4,492						
Interest accrued on trade receivables from subsidiaries and fellow subsidiaries (refer note 26)	5,819	3,626						
Financial asset at fair value through other comprehensive income								
Derivative assets	337	208						
Total	37,668	37,059						
*Represents cash margin against bank guarantees issued for bidding and execution of new projects and deposits against letter of credit issued by various banks for procuring solar power equipment's. Further, the Company has carried balance of INR 13,966 lakhs as at March 31, 2022 (March 31, 2021: INR 3,461 lakhs) in term deposits towards Debt-Service Reserve account for its outstanding loan.								
6. Income tax assets (net)								
Advance income-tax (net of provision for tax of INR NIL (March 31, 2021: INR NIL)	3,941	2,525						
Total	3,941	2,525						
7. Other non-current assets								
<i>(Unsecured, considered good)</i>								
Capital advances	14	166						
Deferred financing cost	-	597						
Prepaid assets	75	73						
Prepaid performance guarantee deposit	754	793						
Contract assets (refer note 34)	275	289						
Total	1,118	1,918						



Azure Power India Private Limited
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(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
8. Current financial assets (Carried at amortised cost, unless otherwise stated)		
8.1 Trade receivables		
Trade receivables - subsidiaries (refer note 26 and 44)	15,338	8,825
Trade receivables - others*	4,676	4,291
Total trade receivables	20,014	13,116
Break-up for trade receivables:		
Undisputed trade receivables, considered good	20,014	13,116
Undisputed trade receivables, credit impaired	105	50
Total	20,119	13,166
Impairment allowance doubtful trade receivable (refer note 38)		
Undisputed trade receivables, credit impaired	(105)	(50)
Total	20,014	13,116

Trade receivables ageing schedule

As at March 31, 2022	Unbilled receivables**	Current but not due#	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables, considered good	2,899	2,373	11,154	473	2,423	685	7	20,014
Undisputed trade receivables, credit impaired	17	8	12	-	35	5	28	105
	2,916	2,381	11,166	473	2,458	690	35	20,119
As at March 31, 2021								
Undisputed trade receivables, considered good	2,342	4,896	2,744	1,976	1,112	11	35	13,116
Undisputed trade receivables, credit impaired	-	-	-	-	-	-	50	50
	2,342	4,896	2,744	1,976	1,112	11	85	13,166

*Trade receivables are non-interest bearing and are generally on terms of 30 to 75 days

** Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Company is yet to raise invoices to the customer.

Current but not due represent receivables which aren't due as per credit terms agreed with the customer.

8.2 Cash and cash equivalents

Balances with banks:

- In current accounts	20,203	1,440
- Deposits with original maturity of less than 3 months	17,911	15,598
Total	38,114	17,038

There are no repatriation restrictions with regards to Cash and cash equivalents as at the end of reporting period and prior periods.

8.3 Other bank balances

- Deposits with original maturity of more than 3 months but remaining maturity of less than 12 months	18,927	5,596
Total	18,927	5,596

8.4 Loans

(Unsecured, considered good)

Carried at amortised cost

Loans to subsidiaries/ fellow subsidiaries (refer note 26)*

	1,00,094	6,763
Total	1,00,094	6,763

* The loans have been granted to subsidiaries /fellow subsidiaries carry interest rate ranging from 6.95% p.a. to 10.60% p.a. which are repayable in one year.

8.5 Other current financial assets

(Carried at amortised cost, unless otherwise stated)

(Unsecured, considered good)

Interest accrued on term deposits	140	207
Interest accrued and not due on loans and advances to subsidiaries/ fellow subsidiaries (refer note 26)	3,336	428
Interest accrued and due on loans and advances to subsidiaries/ fellow subsidiaries (refer note 26)	6,324	-
Contractually reimbursable from subsidiaries/ fellow subsidiaries (refer note 26)	17,360	7,312
Viability gap funding receivable	-	9
Carried at fair value through Other Comprehensive Income (refer note 33)		
Derivative assets	-	378
Total	27,160	8,334

9. Other current assets

(Unsecured, considered good)

Balance with statutory authorities

Advance to vendors

- Unsecured, considered good

- Unsecured, considered doubtful

(Less): Allowance for bad and doubtful advances

	1,754	2,429
	4,506	95
	-	270
	-	(270)
	4,506	95
Prepaid assets	1,174	1,225
Prepaid performance guarantee deposit	40	40
Contract assets (refer note 34)	14	14
Receivables against sale of investments (refer note 46)	418	-
Other advances	35	37
Total	7,941	3,840



Azure Power India Private Limited
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	As at March 31, 2022	As at March 31, 2021
12.2 Other financial liabilities		
Financial liabilities at fair value through profit and loss		
Cash-settled share-based payments #	-	11,157
Financial liabilities at fair value through other comprehensive income		
Derivative liabilities	-	2,374
Other financial liabilities at amortised cost		
Interest accrued and not due on borrowings from subsidiaries (refer note 26)	4,278	494
Total	4,278	14,025

Cash-settled share-based payments are current pursuant to resignation of Mr. Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO).

13. Provisions

13.1 Non-current

Provision for gratuity (refer note 35)	313	221
Provision for decommissioning liabilities*	1,466	1,539
Total	1,779	1,760

*A provision has been recognised for decommissioning costs associated with solar power plants constructed on leasehold land. The Company is under an obligation to decommission the plant at the expiry of the lease term, before handing over the leasehold land to the lessor.

Movement for provision for decommissioning liabilities

Opening balance	1,539	1,504
Adjustment due to change in estimates	(188)	(61)
Accretion during the year	115	96
Closing balance	1,466	1,539

13.2 Current

Provision for compensated absences	332	222
Provision for gratuity (refer note 35)	22	9
Total	354	231

13.3 Other non-current liabilities

Contract Liability		
Deferred revenue on account of Safeguard Duty (refer note 34)	8,768	-
Total	8,768	-

14. Current financial liabilities

(Carried at amortised cost, unless stated otherwise)

14.1 Current borrowings

Secured loans, repayable on demand

From Banks:

Working capital demand loan*	-	15,155
Secured Loans, other than repayable on demand	-	-
Current maturities of non-current borrowings (refer note 12.1)	36,436	39,191
Unsecured	-	-
Loans from subsidiaries (refer note 26)	-	172
Total	36,436	54,518

***Working capital demand loan**

During the previous year, the Company has taken a Short-term loan facility of INR 15,285 lakhs from HSBC bank. The borrowing under this facility was repayable in 12 months. The Facility carried an interest rate of 8.75% per annum, payable monthly. The Company has repaid the facility during the current year.

14.2 Trade payables

- Total outstanding dues of micro enterprises and small enterprises (refer note 29)	252	591
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	334
- to related parties (refer note 26)	-	334
- to others***	8,067	2,255
	8,319	3,180

Trade payables ageing schedule

As at March 31, 2022	Unbilled dues*	Not due trade payable**	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	4	-	75	55	32	86	252
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,809	147	59	5	29	18	8,067
	7,813	147	134	60	61	104	8,319

As at March 31, 2021	Unbilled dues*	Not due trade payable**	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	120	239	218	14	591
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,052	-	344	208	985	-	2,589
	1,052	-	464	447	1,203	14	3,180

Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

* Unbilled dues represents payables where the goods and/or services have been received, however, Company is yet to receive invoices from the vendors.

** Not due trade payable represent balances which aren't due as per credit terms agreed with the vendor.

*** Refer note 45 for reclassification.



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(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
14.3 Other current financial liabilities		
(Carried at amortised cost, unless stated otherwise)		
Interest accrued and not due on borrowings from subsidiaries/fellow subsidiaries (refer note 26)	-	42
Interest accrued and not due on borrowings	2,280	1,914
Payables to holding Company (refer note 26)	183	669
Payable to subsidiaries (refer note 26)	5,145	1,035
Payable to employees	776	692
Payable towards purchase of capital goods (refer note 29)	1,258	400
Carried at fair value through profit and loss		
Cash-settled share-based payments (refer note 25)	8,444	1,020
Total	18,086	5,772
15. Other current liabilities		
Statutory dues	607	236
Deferred revenue	-	466
Advance from subsidiaries (refer note 26)	543	5,728
Contract liability		
Deferred revenue on account of Safeguard duty (refer note 34)	428	-
Total	1,578	6,430



Azure Power India Private Limited
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Particulars	As at	As at
	March 31, 2022	March 31, 2021
10. Equity share capital		
Authorised share capital:		
Equity share capital		
4,33,33,333 (March 31, 2021: 4,33,33,333) equity shares of INR 10/- each	4,333	4,333
8,66,66,667 (March 31, 2021: 8,66,66,667) non redeemable compulsory convertible preference shares (CCPS) of INR 10/-	8,667	8,667
	13,000	13,000
Issued, subscribed and fully paid-up share capital:		
68,58,979 (March 31, 2021: 45,51,443) equity shares of INR 10/- each*	686	455
	686	455

A. Reconciliation of number of equity shares

	Number of Shares	Amount
At April 1, 2020	45,51,443	455
Changes during the year	-	-
At March 31, 2021	45,51,443	455
Changes during the year*	23,07,536	231
At March 31, 2022	68,58,979	686

*During the current year, the Company have issued 23,07,536 number of equity shares of INR 10 each fully paid up to Azure Power Global Limited @ INR 7,510 per share (which includes INR 7,500 per share as security premium).

B. Terms/rights attached to shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to

C. Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	March 31, 2022	March 31, 2021
Azure Power Global Limited, holding company		
67,56,392 (March 31, 2021: 44,48,856) equity shares of INR 10/-each fully paid up	676	445

D. Details of shareholders holdings more than 5% shares in the company

Name of the shareholder	Number of shares held	Percentage of holding	Number of shares held	Percentage of holding
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
Equity shares of INR 10 each fully paid				
Azure Power Global Limited	67,56,392	98.50%	44,48,856	97.75%
Inderpreet S Wadhwa (refer note 32, contingent liabilities)	97,497	1.42%	97,497	2.14%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

E. Details of shares held by Promoters

For the year ended March 31, 2022

S. No.	Promoters Name	No. of shares at the beginning of the year	Change during the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Azure Power Global Limited	44,48,856	23,07,536	98.50%	51.87%

For the year ended March 31, 2021

S. No.	Promoters Name	No. of shares at the beginning of the year	Change during the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Azure Power Global Limited	44,48,856	-	97.75%	-

F. There are no bonus shares issued, for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date. Further, there are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment.



Azure Power India Private Limited
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11. Other equity

For the year ended March 31, 2022:

Particulars	Deemed capital contribution by parent / ESOP reserve (refer note 11.1)	Reserves and surplus		Items of other comprehensive income		Total equity
		Surplus/(Deficit) in the statement of profit and loss (refer note 11.2)	Securities premium (refer note 11.3)*	Cash flow hedge reserve (refer note 11.4)	Defined benefit plans (refer note 11.5)	
At April 01, 2021	2,457	11,898	3,33,736	(1,595)	(61)	3,46,435
Adjustment relating to prior period errors**	-	(805)	-	-	-	(805)
Restated balance as at April 01, 2021	2,457	11,093	3,33,736	(1,595)	(61)	3,45,630
Loss for the year	-	(8,773)	-	-	-	(8,773)
Other comprehensive income/(expense)	-	2,320	-	1,060	(9)	1,051
Total comprehensive income/(expense)	-	2,320	3,33,736	(535)	(70)	3,37,908
Securities premium on issue of equity shares (refer note 10)	-	-	1,72,866	-	-	1,72,866
Deemed capital contribution by parent on account of employee stock option plan (refer note 25)	928	-	-	-	-	928
At March 31, 2022	3,385	2,320	5,06,602	(535)	(70)	5,11,702

For the year ended March 31, 2021:

Particulars	Deemed capital contribution by parent / ESOP reserve (refer note 11.1)	Reserves and surplus		Items of other comprehensive income		Total equity
		Surplus/(Deficit) in the statement of profit and loss (refer note 11.2)	Securities premium (refer note 11.3)*	Cash flow hedge reserve (refer note 11.4)	Defined benefit plans (refer note 11.5)	
At April 01, 2020	2,060	35,828	3,33,736	(1,006)	(38)	3,70,580
Adjustment relating to prior period errors**	-	3,996	-	-	-	3,996
Restated balance as at April 01, 2020	2,060	39,824	3,33,736	(1,006)	(38)	3,74,576
Loss for the year**	-	(28,731)	-	-	-	(28,731)
Other comprehensive expense	-	-	-	(589)	(23)	(612)
Total comprehensive income/(expense)	-	11,093	3,33,736	(1,595)	(61)	3,45,233
Deemed capital contribution by parent on account of employee stock option plan (refer note 25)	397	-	-	-	-	397
At March 31, 2021	2,457	11,093	3,33,736	(1,595)	(61)	3,45,630

*The amount is net of share issue expenses.

**Refer note 44 and 45 for restatement and reclassification respectively.

Nature and purpose of reserves

11.1 Deemed capital contribution by parent / ESOP reserve

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

11.2 Surplus/(loss) in the statement of profit and loss

Surplus in the statement of profit and loss are the results of the Company earned till date net of appropriations.

11.3 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

11.4 Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses cross currency swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

11.5 Defined benefit plans

Defined benefits plans includes all the remeasurements, comprising of actuarial gains/losses on defined benefits obligation and fair value of assets.

11.6 In view of losses, the debenture redemption reserve in terms of Section 71(4) of the Companies Act 2013 and rule 18(7) of Companies (Share Capital & Debenture) Rules, 2014 has not been created. The Company shall create debenture redemption reserve out of profits, if any, in the future years.



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2022

(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
12. Non-current financial liabilities				
12.1 Non-current borrowings				
<u>At amortised cost</u>	<u>Non-current portion</u>		<u>Current portion</u>	
Term loans (secured)				
Term loans from bank ⁽¹⁾	22,910	11,041	1,322	864
Term loans from financial institutions ⁽²⁾	95,691	67,536	5,532	3,200
Foreign currency loan from bank ⁽³⁾	8,106	21,416	6,226	34,141
Foreign currency loan from financial institutions ⁽³⁾	30,387	52,074	23,340	986
Vehicle loan ⁽¹⁾	71	-	16	-
Non-convertible debentures				
Non-convertible debentures- Unsecured ⁽⁴⁾	-	18,731	-	-
From related party (unsecured)				
Loan from subsidiaries ⁽⁵⁾ (refer note 26)	71,604	62,457	-	-
Total borrowings	2,28,769	2,33,255	36,436	39,191

⁽¹⁾Term loans from banks

The Company has taken a loan amounting INR 25,000 lakhs from Axis Bank in financial year 2021-22 for refinancing of its 200 MW Solar project at Rajasthan. The loan is disbursed to refinance the loan taken from TCCL, Yes bank and State bank of India. This facility carries interest rate of 7.5% per annum, the interest rate is subject to reset every three years based upon 3 year MCLR rate. The loan is repayable in 70 quarterly instalments ranging from 1.10% to 1.71% of the loan amount commencing from December 2022 and ending on March 2039. It is secured by first charge on Company's movable and imovable properties and hypothecation on all the movable fixed asset both present and future. As at March 31, 2022 net carrying value of the loan is INR 24,234 lakhs (March 31, 2021: NIL) post adjustment of unamortised balance of ancillary cost of borrowing INR 109 lakhs (March 31, 2021: INR NIL).

The Company has taken a loan amounting INR 16,010 lakhs from Yes Bank, TMB, Syndicate and Punjab and sindh bank in financial year 2015-16 for financing of its 30 MW Solar project at Chhattisgarh and which carries a floating rate of interest at a base rate plus 1.5% per annum. The loan is repayable in 58 quarterly instalments started from December 31, 2015 and ending on December 31, 2029. It is secured by first charge on Company's movable and imovable properties and hypothecation on all the movable fixed asset both present and future. During the current year loan has been refinanced form Aditya Birla Finance Limited and further refinanced from Indian Renewable Energy Development Agency (IREDA).

The Company had taken a loan amounting INR 70 lakhs from HDFC Bank in financial year 2021-22 which carries fixed interest rate 7.2% per annum. The loan was repayable in 60 monthly instalments ranging from 1.39% - 1.98% of the loan amount commencing from November 2021 and ending on October 2026. As at March 31, 2022, net carrying value of the loan is INR 64 lakhs (March 31, 2021: NIL) post adjustment of unamortised balance of ancillary cost of borrowing INR 1 lakhs (March 31, 2021: INR NIL).

The Company had taken a loan amounting INR 24 lakhs from HDFC Bank in financial year 2021-22 which carries fixed interest rate 7.1% per annum. The loan was repayable in 60 monthly instalments ranging from 1.39% - 1.97% of the loan amount commencing from January 2022 and ending on December 2026. As at March 31, 2022, net carrying value of the loan is INR 23 lakhs (March 31, 2021: NIL) post adjustment of unamortised balance of ancillary cost of borrowing INR NIL (March 31, 2021: INR NIL).

⁽²⁾Term loans financial institutions

The Company had taken loan of INR 57,300 lakhs from Indian Renewable Energy Development Agency (IREDA) relating to financing of its 100 MW Solar project at Andhra Pradesh. The floating interest rate is at Grade-II as per IREDA. The loan is repayable in 73 quarterly instalments starting from June 30, 2018 and ending on June 30, 2036. It is secured by underlying solar power projects assets. During the current year, the loan has been refinanced by Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited.

The Company has taken a loan amounting INR 18,000 lakhs and INR 34,000 lakhs from Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited respectively in financial year 2021-22 for refinancing of its 100 MW Solar project at Andhra Pradesh. The loan is disbursed to refinance the loan taken from IREDA. These facility carries interest rate of 7.75% per annum, the interest rate is subject to reset for every five years in case of loan taken from NIIF Infrastructure Finance Limited basied upon -35 bps ("Spread") over and above the NIIF IFL 5 YR Benchmark Rate and for every three years in case of loan taken from Aseem Infrastructure Finance Limited based upon AIFL Benchmark Rate/Benchmark Rate and the applicable Spread. These facilities are repayable in 63 quarterly instalments ranging from 1.23% to 2.55% of the loan amount commencing from December, 2021 and ending on June 2037. These facilities are secured by first charge on Company's movable and immovable properties and hypothecation on all the movable fixed assets both present and future. As at March 31, 2022, net carrying value of the loan is INR 17,475 lakhs and INR 33,008 lakhs (March 31, 2021: NIL and NIL) post adjustment of unamortised balance of ancillary cost of borrowing of INR 75 and INR 142 lakhs (March 31, 2021: INR NIL and NIL) of Aseem Infrastructure Finance Limited and NIIF Infrastructure Finance Limited respectively.



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2022

(All amount in INR lakhs, unless otherwise stated)

The Company has taken a loan amounting INR 33,100 lakhs from Tata Cleantech Capital Limited (TCCL) in financial year 2021-22 for financing of its 200 MW Solar project at Rajasthan. The loan is disbursed to refinance the loan taken from TCCL, Yes bank and State bank of India. This facility carries a floating rate of interest 7.5% per annum, the interest rate is subject to reset every three years based upon TCCL New Prime Lending Rate- Long Term (TCCL NPLR-LT). The loan is repayable in 70 quarterly instalments ranging from 1.1% - 1.71% of the loan amount commencing from December, 2021 and ending on March 2039. It is secured by first charge on Company's movable and immovable properties and hypothecation on all the movable fixed assets both present and future. As at March 31, 2022, net carrying value of the loan is INR 32,053 lakhs (March 31, 2021: NIL) post adjustment of unamortised balance of ancillary cost of borrowing INR 152 lakhs (March 31, 2021: INR NIL).

During the year ended March 31, 2021, the Company borrowed amount of INR 17,343 Lakhs from Aditya Birla Finance Limited and Tata Cleantech Capital Limited for financing of its 200 MW solar project with Solar Energy Corporation of India. The loan was borrowed from a consortium of banks led by Yes Bank, which carries annual floating rate of interest at a MCLR (Marginal cost of funds-based lending rate) plus 0.55%. The loan is repayable in 72 quarterly instalments commencing from September 2020. The borrowing is collateralized by the underlying solar power project assets. During the current year, the loan has been refinanced by Axis Bank and TCCL.

The Company has taken a loan amounting INR 15,200 lakhs from Indian Renewable Energy Development Agency (IREDA) in financial year 2021-22 for refinancing of its 30 MW Solar project at Chhattisgarh. The loan is disbursed to refinance the loan taken from Aditya Birla finance limited. These facility carries interest rate of 7.5% per annum and the interest rate is subject to reset every three years based upon rate of interest notified by IREDA as per applicable grading. The loan is repayable in 168 monthly instalments ranging from 0.50% - 0.60% of the loan amount commencing from April, 2022 and ending on March 2036. It is secured by first charge on Company's movable properties. It is secured by first charge on Company's movable and imovable properties and hypothycation on all the movable fixed asset both present and future. As at March 31, 2022, net carrying value of the loan is INR 15,093 lakhs (March 31, 2021: NIL) post adjustment of unamortised balance of ancillary cost of borrowing INR 107 lakhs (March 31, 2021: INR NIL).

During the year ended March 31, 2021, the Company borrowed an amount of INR 4,125 Lakhs from Kotak Infrastructure Debt Fund Limited for financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited. The loan is disbursed to refinance the loan taken from REC Limited . These facilities carry an interest rate of 8.50% per annum fixed till September 30, 2022 and shall be reset every two years thereafter based upon rate as notified by lender. The loan is repayable in 54 quarterly instalments ranging from 1.85% - 1.88% commencing from December 2020. It is secured by first charge on Company's movable and immovable properties and hypothecation on all the movable fixed assets both present and future. As at March 31, 2022, net carrying value of the loan is INR 3,594 lakhs (March 31, 2021: 3,889 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 74 lakhs (March 31, 2021: INR 84 lakhs).

⁽³⁾ Foreign currency loan from banks and financial institutions

During the year ended March 31, 2021, the Company borrowed USD 930 lakhs (INR 69,311 Lakhs) for providing funds to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project from Export Development Canada and Standard Chartered Bank (Singapore) Limited. These facilities are foreign currency loans and carries an interest rate of LIBOR+Margin of 3.95% and the loan is repayable in 8 half yearly instalments ranging from 2.5% - 32.5% commencing from November 2021 and ending on May 2025. The borrowing is collateralized by the shares of project SPVs and hypothecation/charge over receivables of the Company. As at March 31, 2022, net carrying value of the loan is INR 53,724 lakhs and 14,332 lakhs (March 31, 2021: 53,087 lakhs & 14,158 lakhs) post adjustment of unamortised balance of ancillary cost of borrowing INR 543 lakhs & 139 lakhs (March 31, 2021: INR 910 lakhs & INR 234 lakhs) from Export Development Canada and Standard Chartered Bank (Singapore) Limited respectively.

During financial year 2018-19 and 2019-20, the Company entered into buyer's credit facility amounting to US\$ 228.01 lakhs and US\$ 345.80 lakhs, respectively, at six months LIBOR plus 0.5% spread, for its 200 MW solar power project. The Company has taken US\$/INR full currency swap for its principal and interest payment. As per this, the Company pays fixed INR, receives US\$ and pays fixed interest ranging between 8.11% to 8.12%, for respective buyers' credit and receives a variable interest at six months LIBOR plus 0.5% on the US\$ notional amount. The facility is repayable starting from September 2021 till April 2022. During the year these facility has been refinanced by Axis bank and TCCL.

⁽⁴⁾ Non-Convertible Debentures

During September 2017, the Company has issued Non-convertible debentures and borrowed INR 19,000 lakhs. The debentures carry an interest rate of 12.30% per annum. The debentures are repayable in 11 equated semi-annual instalments beginning September 2022 until September 2027 and interest payments are payable semi-annually commencing March 2018. The Loan is repaid during the current year.

⁽⁵⁾ Loan from subsidiaries

The Company has taken an unsecured loans from its subsidiaries/fellow subsidiaries carry interest rate ranging from 6.9% to 10.60% per annum, which are repayable after 3 years along with interest (repayable at the option of borrower) from the date of issue of instrument. Refer note 26 for further details.



Azure Power India Private Limited

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Notes to standalone financial statements for the year ended March 31, 2022

(All amount in INR lakhs, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021*
16 Deferred tax assets (net)		
Deferred tax asset (net)	10,381	5,262
Total	10,381	5,262

Reconciliation of deferred tax assets/(liabilities) (net)

	As at April 01, 2020*	Movement during the year	As at March 31, 2021*	Movement during the year	As at March 31, 2022
Deferred tax liabilities:					
Difference between tax base and book base of property, plant and equipment	26,763	2,768	29,531	1,072	30,603
Leases	393	(25)	368	(149)	219
Contract assets	111	(5)	106	(5)	101
Performance bank guarantee	20	11	31	10	41
Total deferred tax liabilities (A)	27,287	2,749	30,036	928	30,964
Deferred tax assets:					
Unabsorbed depreciation and brought forward losses	21,658	6,435	28,093	6,414	34,507
Minimum alternate tax	5,753	-	5,753	-	5,753
Provision for decommissioning liabilities	379	8	387	(18)	369
Provision for employee benefits	93	64	157	66	223
Impairment of assets	-	-	-	100	100
Allowance for doubtful trade receivable	172	(155)	17	37	54
Deferred viability gap funding income	3	-	3	(3)	-
Total deferred tax assets (B)	28,058	6,352	34,410	6,596	41,006
	27,947				
Deferred tax assets/(liabilities) (net) (A - B) through Profit and Loss	771	3,603	4,374	5,668	10,042
Other Comprehensive Income					
Deferred tax liability recognised in Other Comprehensive Income					
On cash flow hedge reserve	540	316	856	(559)	297
On defined benefit plan	20	12	32	10	42
Deferred tax asset (net) (A - B)	1,331	3,931	5,262	5,119	10,381

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	For the year ended March 31, 2022	For the year ended March 31, 2021*
Accounting loss before income tax	(14,441)	(32,334)
Applicable statutory income tax rate	34.94%	34.94%
Tax at applicable tax rate	(5,046)	(11,297)
Adjustments:		
Permanent difference in property, plant and equipment not considered for deferred tax purpose	(1,290)	(526)
Other permanent difference disallowed under income tax Act	2,206	5,831
Disallowance as per section 94B of Income Tax Act, 1961 not considered for deferred tax purpose	2,414	1,273
Impairment of assets in relation to 2.3 GWs projects	929	-
Capital loss	(4,907)	498
Trade receivables	25	618
Total	(622)	7,694
Total tax benefit	(5,668)	(3,603)
Component of tax expenses		
Deferred tax credit	(5,668)	(3,603)
Total tax benefit	(5,668)	(3,603)

* Refer note 44 for restatement

The Company does not intend to dispose off its investments in subsidiaries and associates and accordingly has not recognised deferred tax assets in respect of temporary differences arising on account of indexation benefits available with respect to said investments under Income Tax Act, due to lack of reasonable certainty on recovery of same.



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
17. Revenue from operations		
Revenue from contracts with customers		
Sale of power*	24,312	26,319
Construction revenue (refer note 26)	393	923
Services rendered		
Management fees**	7,660	10,286
Other operating revenue		
Carbon credit emission income	-	420
Total	32,365	37,948
*Revenue from sale of power is recognised at point in time.		
**Refer note 44 for restatement.		
18.1 Other income		
Exchange gain (net)	-	12
Gain on lease modification (refer note 31)	-	475
Liabilities no longer required written back	1,861	2,304
Miscellaneous income	407	283
Total	2,268	3,074
18.2 Finance income		
Interest income on financial asset measured at amortised cost		
- Term deposits	2,456	2,538
- Loan to subsidiaries/fellow subsidiaries (refer note 26)	11,299	4,679
- Trade receivables from subsidiaries (refer note 26)	3,226	3,920
- Safeguard duty receivable	979	-
- Others	167	124
Total	18,127	11,261
19. Construction, sub contracting and other site expenses		
Cost of material and services consumed	430	758
Total	430	758
Break up of cost of material consumed		
Cable and electrical material	-	81
Solar modules and mounting structure	-	312
Others	430	365
Total	430	758
20. Employee benefits expense		
Salaries, wages and bonus	5,501	3,907
Contribution to provident and other funds	218	185
Gratuity expenses (refer note 35)	94	56
Staff welfare expenses	39	13
Share based payment expense (net) (refer note 25)	(2,806)	13,583
Total	3,046	17,744
21. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)*	5,049	9,885
Amortisation on right-of-use assets (refer note 31)	335	545
Amortisation of intangible assets (refer note 4)	251	371
Total	5,635	10,801

*Refer note 45 for reclassification.



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
22. Finance cost		
Interest expenses on financial liabilities measured at amortised cost		
- Term loans	26,636	20,493
- Loans from subsidiaries (refer note 26)	6,461	5,997
- Lease liabilities (refer note 31)	304	457
Loan prepayment charges	2,176	231
Other borrowing costs	3,565	1,506
Interest on delayed payment of statutory dues	66	41
Other finance cost	183	188
Total	39,391	28,913
23. Other expenses		
Power and fuel	19	88
Guest house expense	20	36
Rent (refer note 31)	62	11
Rates and taxes	2,352	1,244
Insurance	356	316
Repair and maintenance		
-Plant and machinery	831	346
-Vehicle	3	17
-Other	324	235
Development and testing expense	258	-
Advertisement and sales promotion	73	55
Travelling and conveyance	134	53
Communication costs	78	107
Printing and stationery	18	11
Legal and professional fees (Including payment to auditors)*	1,763	1,015
Corporate social responsibilities (refer note 28)	84	180
Recruitment expenses	353	129
Security charges	233	303
Bank charges	36	49
Software maintenance charges	154	230
Foreign exchange fluctuation (net)	731	-
Asset written off	467	23
Allowance for doubtful debts (refer note 5.1, 8.1 and 45)	167	-
Bad debts written-off	-	1,768
Provision for diminution in value of investments (refer note 4A and 46)	167	19,815
Provision against impairment of assets (refer note 46)	289	-
Liquidation charges-for cancellation of contract (refer note 4A)	5,395	-
Advance written off	92	-
Inter company balances written off (refer note 26)	3,679	-
Miscellaneous expenses	561	370
Total	18,699	26,401
*Payment to auditor:		
As statutory auditor:		
Auditor's remuneration (including taxes thereon)	48	37
In other capacity		
Other services	-	3
Reimbursement of expenses	2	2
Total	50	42



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2022

(All amount in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021*
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24. Earnings per share

Basic EPS amounts are calculated by dividing the profit/loss for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Loss after tax for calculation of basic EPS	(8,773)	(28,731)
Loss after tax for calculation of diluted EPS	(8,773)	(28,731)
Weighted average number of equity shares in calculating basic EPS	48,68,367	45,51,443
Total weighted average number of shares in calculating diluted EPS	48,68,367	45,51,443
Basic Earning per share (In INR)	(180.20)	(631.25)
Diluted Earning per share (In INR)	(180.20)	(631.25)

*Refer note 44 and 45 for restatement and reclassification respectively.



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

25. Share-based payment

(i) Employee Stock Option Plans (ESOPs)

ESOPs are issued by Azure Power Global Limited (Holding Company) to the employees of the Company and some entities forming part of the Group. As per Ind AS 102, *Share-based Payment*, the Company adopts fair valuation model for calculating its expense under ESOP's. ESOP gives an employee a right to purchase equity shares of Azure Power Global Limited at exercise price.

Description of terms and conditions of grant

Method of valuation of grants

Ind AS 102 requires adoption of graded vesting mechanism. Accordingly the stock compensation expense is computed separately for each tranche. The fair value of the share options is estimated at the grant date using a Black Scholes option pricing Model taking into account the terms and conditions upon which the share options were granted considering the following inputs:-

Particulars	March 31, 2022	March 31, 2021
Exercise Price	1,430	1,466
Expected Volatility	46.34% - 47.84%	33.95% - 45.6%
Expected life of options granted in years	3.58 - 5.08	3.7 - 7.42
Dividend yield (%)	0%	0%
Risk-free Interest Rate	0.55% - 0.80%	0.49% - 1.01%

The details of activity have been summarized below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	7,03,708	1,217	8,70,065	756
Granted during the year	24,205	1,583	4,43,772	1,466
Forfeited during the year	(32,474)	1,608	(75,837)	861
Exercised during the year	(1,36,611)	824	(5,45,212)	709
Converted from RSU*	-	-	10,920	-
Outstanding at the end of the year	5,58,829	1,314	7,03,708	1,217
Exercisable at the end of the year	2,50,784	1,127	2,31,712	852

* During the previous year, the Company has converted RSU issued to its Board members into Restricted Shares (RS) at the then current share price on the date of conversion to be settled into equity shares of the Company.

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

Incremental fair value recognized as an expense over the remaining period of service condition. In case of already vested options, incremental fair value recognized immediately. Any decrease in fair value of options is not accounted for.

The Company recognises ESOP cost in the standalone statement of profit and loss, except the cost of services which is initially capitalized by the company as part of the cost of property, plant and equipment and corresponding increase in equity as a contribution from holding company.

	March 31, 2022	March 31, 2021
Expense arising from equity-settled share-based payment transactions	928	397
Amount of expense capitalised	-	44
Total increase in equity arising from equity-settled share-based payment transactions	928	441

(ii) Stock Appreciation Rights (SARs)

The Company granted incentive compensation in the form of Stock Appreciation Rights ("SARs"), as defined in the APGL 2016 Equity Incentive Plan, as amended in 2020, to its CEO and COO. The SARs have been granted in 3 tranches with maturity dates up to March 31, 2028.

The fair value of the share options is estimated at the grant date using a Black Scholes Option Pricing Model taking into account the terms and conditions upon which the SARs were granted considering the following inputs:-

	March 31, 2022	March 31, 2021
Exercise Price	1,411	2,056
Share price at measurement date (INR per share)	1,261	1,999
Expected Volatility	49.03% - 61.04%	45.2% - 45.64%
Expected life of SAR granted in years	2.21 - 5.38	3.71 - 5.21
Dividend yield (%)	0%	0%
Risk-free Interest Rate	2.36% - 2.49%	0.63% - 1.01%

The details of activity have been summarized below:

	As at March 31, 2022		As at March 31, 2021	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	18,75,000	810	19,70,000	752
Granted during the year	-	-	80,000	2,056
Exercised during the year	-	-	(1,75,000)	722
Outstanding at the end of the year	18,75,000	810	18,75,000	810
Vested at the end of the year	6,80,000	805	4,17,500	757
Exercisable at the end of the year	130000*	1,154	67,500	940

Effect of the stock appreciation rights on the statement of profit and loss account and on its financial position:

The Company recognises SAR cost in the standalone statement of profit and loss with corresponding increase in liability for cash-settled share-based payments.

	March 31, 2022	March 31, 2021
Expense arising from cash-settled share-based payment transactions	(3,733)	13,186
Total amount of liability arising from cash settled share-based payment transactions	(3,733)	13,186

* On April 26, 2022, the Company through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr. Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect. Since the full and final settlement with KMP's are still in process, hence company has not adjusted the liabilities payable considering the event as non-adjusting.



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

26. Related party disclosures:

The list of related parties as identified by the management is as under:

Related parties where control exists

Holding company:

Azure Power Global Limited

Key managerial personnel:

Mr. Ranjit Gupta (Chief Executive Officer and Director w.e.f. July 18, 2019 till April 26, 2022)
Mr. Pawan Kumar Agrawal (Chief Financial Officer w.e.f. March 15, 2019)
Mr. Rupesh Agarwal (Director w.e.f. August 29, 2022 till July 10, 2023)
Ms. Christine Ann Mcnamara (Director w.e.f. March 01, 2022 till June 26, 2023)
Ms. Delphine Voeltzel (Director w.e.f. May 11, 2022)
Mr. Sanjeev Aggarwal (Director till October 5, 2020)
Mr. Richard Alan Rosling (Director from September 09, 2021 till October 11, 2023)
Mr. Barney Sheppard Rush (Director till September 30, 2021)
Mr. Harsh Dinesh Shah (Director w.e.f. August 05, 2022 till August 29, 2022)
Mr. Cyril Sabastien Dominique Cabanes (Director till October 30, 2023)
Mr. Rajendra Prasad Singh (Director till August 19, 2020)
Mr. Deepak Malhotra (Director w.e.f. November 28, 2019 till October 29, 2023)
Mr. Kapil Sharma (Company Secretary)
Mr. Unnikrishnan Mangalath Sukumarapanicker (Nominee Director w.e.f. August 19, 2020)
Ms. Supriya Prakash Sen (Director w.e.f. August 01, 2020)
Mr. Sugata Sircar (Additional director w.e.f. October 01, 2022)
Mr. Sunil Kumar Gupta (Managing Director w.e.f. August 08, 2023)
Mr. Philippe Pierre Wind (Director w.e.f. October 31, 2023)
Mr. Jaime Garcia Nieto (Director w.e.f. December 01, 2023)
Mr. Jean Francois Joseph Boisvenu (Director w.e.f. April 24, 2023)
Mr. Richard Payette (Director w.e.f. July 01, 2023)

Subsidiary company:

Azure Power (Punjab) Private Limited
Azure Power (Haryana) Private Limited
Azure Solar Private Limited
Azure Power (Rajasthan) Private Limited
Azure Solar Solutions Private Limited (till February 03, 2022)
Azure Sun Energy Private Limited
Azure Urja Private Limited
Azure Surya Private Limited
Azure Power (Karnataka) Private Limited
Azure Photovoltaic Private Limited
Azure Power Infrastructure Private Limited
Azure Power (Raj.) Private Limited
Azure Green Tech Private Limited
Azure Renewable Energy Private Limited (till February 03, 2022)
Azure Clean Energy Private Limited
Azure Sunrise Private Limited
Azure Sunlight Private Limited (till February 03, 2022)
Azure Sunshine Private Limited
Azure Power Earth Private Limited
Azure Power Eris Private Limited
Azure Power Jupiter Private Limited
Azure Power Makemake Private Limited
Azure Power Mars Private Limited
Azure Power Mercury Private Limited
Azure Power Pluto Private Limited
Azure Power Uranus Private Limited
Azure Power Venus Private Limited
Azure Power Saturn Private Limited
Azure Power Thirty Three Private Limited
Azure Power Thirty Four Private Limited
Azure Power Thirty Five Private Limited
Azure Power Thirty Six Private Limited



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Power Thirty Seven Private Limited
Azure Power Thirty Eight Private Limited
Azure Power Thirty Nine Private Limited
Azure Power Forty Private Limited
Azure Power Forty One Private Limited
Azure Power Forty Two Private Limited
Azure Power Forty Three Private Limited
Azure Power Forty Four Private Limited
Azure Power Fifty One Private Limited
Azure Power Fifty Two Private Limited
Azure Power Fifty Three Private Limited
Azure Power Fifty Four Private Limited
Azure Power Fifty Six Private Limited
Azure Power Fifty Seven Private Limited
Azure Power Fifty Eight Private Limited
Azure Power Fifty Nine Private Limited
Azure Power Sixty Private Limited
Azure Power Sixty One Private Limited
Azure Power Sixty two Private Limited
Kotuma Wind Parks Private Limited
Two Wind Energy Private Limited
Azure Power Maple Private Limited
Azure Power Sixty Three Pvt Ltd
Azure Power Sixty Four Pvt Ltd
Azure Power US Inc
Azure Green Hydrogen Private Limited

Fellow subsidiary company:

Azure Power Rooftop Private Limited
Azure Power Rooftop (Genco) Private Limited
Azure Power Rooftop One Private Limited
Azure Power Rooftop Two Private Limited
Azure Power Rooftop Three Private Limited
Azure Power Rooftop Four Private Limited
Azure Power Rooftop Five Private Limited
Azure Power Rooftop Six Private Limited
Azure Power Rooftop Seven Private Limited
Azure Power Rooftop Eight Private Limited
Azure Power Rooftop Nine Private Limited
Azure Power Rooftop Ten Private Limited
Azure Power Rooftop Eleven Private Limited
Azure Power One Private Limited
Azure Power Rooftop Twelve Private Limited

Associate company:

Waaree Power Private Limited
Premier energies International Private Limited



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Following transactions were carried out with related parties in the ordinary course of business for the year ended March 31, 2022:

1. Transactions during the year

	March 31, 2022	March 31, 2021
a). Settlement of liabilities by the entity on behalf of		
Azure Power (Punjab) Private Limited	11	8
Azure Power (Haryana) Private Limited	47	2
Azure Solar Private Limited	213	34
Azure Power (Rajasthan) Private Limited	58	24
Azure Solar Solutions Private Limited	-	15
Azure Sun Energy Private Limited	1	4
Azure Urja Private Limited	24	25
Azure Surya Private Limited	650	5
Azure Power (Karnataka) Private Limited	323	9
Azure Photovoltaic Private Limited	545	40
Azure Power Infrastructure Private Limited	27	41
Azure Power (Raj.) Private Limited	694	17
Azure Green Tech Private Limited	-	35
Azure Renewable Energy Private Limited	11	3
Azure Clean Energy Private Limited	323	44
Azure Sunrise Private Limited	679	52
Azure Sunlight Private Limited	9	5
Azure Sunshine Private Limited	-	15
Azure Power Earth Private Limited	152	23
Azure Power Eris Private Limited	21	8
Azure Power Jupiter Private Limited	53	19
Azure Power Makemake Private Limited	15	2
Azure Power Mars Private Limited	4	4
Azure Power Mercury Private Limited	9	1
Azure Power Pluto Private Limited	132	63
Azure Power Uranus Private Limited	12	18
Azure Power Venus Private Limited	31	39
Azure Power Saturn Private Limited	6	3
Azure Power Thirty Three Private Limited	362	39
Azure Power Thirty Four Private Limited	94	36
Azure Power Thirty Five Private Limited	0	-
Azure Power Thirty Six Private Limited	31	7
Azure Power Thirty Seven Private Limited	133	29
Azure Power Thirty Eight Private Limited	67	35
Azure Power Thirty Nine Private Limited	1	1
Azure Power Forty Private Limited	2,427	200
Azure Power Forty One Private Limited	1,956	434
Azure Power Forty Two Private Limited	0	-
Azure Power Forty Three Private Limited	6,863	4,309
Azure Power Forty Four Private Limited	67	3
Azure Power Forty Six Private Limited	-	393
Azure Power Rooftop Private Limited	56	-
Azure Power Rooftop (Genco) Private Limited	6	-
Azure Power Rooftop One Private Limited	3	-
Azure Power Rooftop Three Private Limited	5	-
Azure Power Rooftop Four Private Limited	1	-
Azure Power Rooftop Five Private Limited	0	-
Azure Power Rooftop Six Private Limited	0	-
Azure Power Rooftop Seven Private Limited	0	-
Azure Power Rooftop Eight Private Limited	-	1
Azure Power One Private Limited	0	-
Azure Power Maple Private Limited	10,326	303
Azure Power Fifty One Private Limited	502	7
Azure Power Fifty Two Private Limited	504	27
Azure Power Fifty Three Private Limited	502	-
Azure Power Fifty Four Private Limited	472	-



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Power Fifty Five Private Limited	0	-
Azure Power Fifty Six Private Limited	0	-
Azure Power Fifty Seven Private Limited	0	-
Azure Power Fifty Eight Private Limited	287	-
Azure Power Fifty Nine Private Limited	502	-
Azure Power Sixty Private Limited	472	-
Azure Power Sixty One Private Limited	472	-
Azure Power Sixty two Private Limited	472	-
Kotuma Wind Parks Private Limited	177	-
Two Wind Energy Private Limited	142	-
Azure Power US Inc.	0	3
Aster Power Inc	-	27
Azure Power Energy Limited	-	24
Azure Power Global Limited	486	-

b) Settlement of liabilities on behalf of the entity

	March 31, 2022	March 31, 2021
Azure Solar Solutions Private Limited	0	-
Azure Green Tech Private Limited	5	-
Azure Sunshine Private Limited	1	-
Azure Power Forty Six Private Limited	234	-
Azure Power Rooftop Eight Private Limited	1	-
Azure Power Solar Energy Limited	95	-
Azure Power Rooftop Private Limited	-	84
Azure Power Rooftop (Genco) Private Limited	-	2
Azure Power Rooftop One Private Limited	-	1
Azure Power Rooftop Two Private Limited	0	-
Azure Power Rooftop Four Private Limited	-	1

c) Construction services rendered

	March 31, 2022	March 31, 2021
Azure Power Thirty Four Private Limited	466	285
Azure Power Thirty Three Private Limited	-	602
Azure Power Forty Private Limited	(73)	-
Azure Power Forty Four Private Limited	-	36

d) Operation and maintenance services rendered

	March 31, 2022	March 31, 2021
Azure Power (Rajasthan) Private Limited	1	-
Azure Power (Karnataka) Private Limited	-	3
Azure Power Mercury Private Limited	4	-
Azure Power Saturn Private Limited	30	-
Azure Power Thirty Eight Private Limited	14	-
Azure Power Forty Four Private Limited	4	-
Azure Power Fifty One Private Limited	239	-

e) Management services rendered (excluding GST)

	March 31, 2022	March 31, 2021
Azure Power Maple Private Limited	656	3,870
Azure Power Forty Three Private Limited	938	2,615
Azure Power Forty One Private Limited	309	1,856
Azure Power Pluto Private Limited	276	212
Azure Power Forty Private Limited	83	144
Azure Power Thirty Seven Private Limited	350	142
Azure Power Thirty Three Private Limited	988	367
Azure Power Infrastructure Private Ltd	92	71
Azure Sunrise Private Limited	92	71
Azure Power Jupiter Private Limited	174	71
Azure Power Thirty Four Private Limited	238	183
Azure Photovoltaic Private Limited	73	56
Azure Power (Raj.) Private Limited	73	56
Azure Green Tech Private Limited	73	56
Azure Clean Energy Private Limited	73	56



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Urja Private Limited	62	48
Azure Power Earth Private Limited	183	141
Azure Sunshine Private Limited	36	28
Azure Power Thirty Six Private Limited	160	71
Azure Power Venus Private Limited	136	57
Azure Power (Karnataka) Private Limited	18	14
Azure Power (Haryana) Private Limited	19	14
Azure Surya Private Limited	18	14
Azure Power Eris Private Limited	18	14
Azure Power Makemake Private Limited	52	39
Azure Power Mars Private Limited	9	7
Azure Power (Punjab) Private Limited	4	3
Azure Power Uranus Private Limited	12	10
Azure Power (Rajasthan) Private Limited	3	-
Azure Solar Private Limited	15	-
Azure Power Rooftop One Private Limited	3	-
Azure Power Fifty One Private Limited	212	-
Azure Power Fifty Two Private Limited	1,041	-
Azure Power Fifty Three Private Limited	41	-
Azure Power Fifty Four Private Limited	41	-
Azure Power Fifty Nine Private Limited	41	-
Azure Power Sixty Private Limited	41	-
Azure Power Sixty two Private Limited	27	-
Kotuma Wind Parks Private Limited	121	-
Two Wind Energy Private Limited	362	-
Azure Power Fifty Seven Private Limited	4	-
Azure Power Global Limited	492	-

f) Interest income*

	March 31, 2022	March 31, 2021
Azure Power Forty Three Private Limited	4,186	1,872
Azure Power Thirty Three Private Limited	2,252	2,187
Azure Power Forty One Private Limited	2,977	985
Azure Power Earth Private Limited	906	907
Azure Power Forty Four Private Limited	231	682
Azure Power Maple Private Limited	2,337	388
Azure Power Thirty Four Private Limited	382	368
Azure Power Jupiter Private Limited	286	286
Azure Power Forty Six Private Limited	-	249
Azure Solar Solutions Private Limited	63	223
Azure Power (Rajasthan) Private Limited	107	122
Azure Power Thirty Six Private Limited	100	101
Azure Power Thirty Eight Private Limited	102	100
Azure Power Mercury Private Limited	55	85
Azure Power Saturn Private Limited	13	14
Azure Solar Private Limited	16	14
Azure Power (Karnataka) Private Limited	3	-
Azure Power Fifty One Private Limited	30	13
Azure Power Fifty Two Private Limited	15	-
Azure Power Fifty Three Private Limited	0	-
Azure Power Fifty Four Private Limited	0	-
Azure Power Fifty Six Private Limited	0	-
Azure Power Fifty Seven Private Limited	4	-
Azure Power Fifty Eight Private Limited	1	-
Azure Power Fifty Nine Private Limited	0	-
Azure Power Sixty Private Limited	0	-
Azure Power Thirty Nine Private Limited	4	4
Azure Power Makemake Private Limited	2	-
Azure Sunrise Private Limited	30	-
Azure Power Infrastructure Private Limited	19	-
Azure Power (Raj.) Private Limited	3	-
Azure Power Rooftop (Genco) Private Limited	8	-



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Power Rooftop One Private Limited	12	-
Azure Power Rooftop Three Private Limited	3	-
Azure Power Rooftop Five Private Limited	3	-
Azure Urja Private Limited	0	-
Azure Power Forty Private Limited	366	-

* Includes interest income from trade receivables from related parties.

	March 31, 2022	March 31, 2021
g) Interest Expense		
Azure Sunrise Private Limited	1,181	2,595
Azure Power Pluto Private Limited	758	571
Azure Power (Haryana) Private Limited	834	534
Azure Clean Energy Private Limited	379	400
Azure Urja Private Limited	518	363
Azure Green Tech Private Limited	625	325
Azure Power Infrastructure Private Limited	-	216
Azure Sunshine Private Limited	434	142
Azure Surya Private Limited	93	116
Azure Power Mars Private Limited	68	114
Azure Power (Karnataka) Private Limited	37	104
Azure Power Thirty Four Private Limited	407	92
Azure Power (Punjab) Private Limited	34	74
Azure Photovoltaic Private Limited	-	73
Azure Power Makemake Private Limited	241	67
Azure Power (Raj.) Private Limited	-	22
Azure Power Thirty Six Private Limited	184	19
Azure Power Thirty Seven Private Limited	583	137
Azure Power Eris Private Limited	-	17
Azure Power Forty Four Private Limited	10	10
Azure Renewable Energy Private Limited	5	6
Azure Solar Private Limited	70	-

	March 31, 2022	March 31, 2021
h) Sale of goods and services		
Azure Urja Private Limited	101	-
Azure Photovoltaic Private Limited	36	-
Azure Power Infrastructure Private Limited	0	-
Azure Power (Raj.) Private Limited	36	-
Azure Green Tech Private Limited	15	-
Azure Sunrise Private Limited	11	-
Azure Power Makemake Private Limited	9	25
Azure Power Pluto Private Limited	11	-
Azure Power Uranus Private Limited	5	-
Azure Power Thirty Six Private Limited	-	0
Azure Power Thirty Seven Private Limited	38	-

	March 31, 2022	March 31, 2021
i) Purchase of goods and services		
Azure Power Infrastructure Private Limited	0	-
Azure Power Venus Private Limited	-	70
Azure Power Thirty Six Private Limited	71	-

	March 31, 2022	March 31, 2021
j) Sale of Capital goods and services		
Azure Urja Private Limited	-	45
Azure Power (Karnataka) Private Limited	23	-
Azure Power Thirty Three Private Limited	-	874
Azure Power Earth Private Limited	-	4
Azure Power Jupiter Private Limited	-	17
Azure Power Thirty Four Private Limited	-	1,782
Azure Power Fourty Private Limited	-	148



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

k) Sale return of goods and services			
Azure Power Forty Private Limited		110	-
l) Key managerial personnel remuneration		March 31, 2022	March 31, 2021
Mr. Ranjit Gupta			
- Short term employee benefits		412	458
- Stock Appreciation Right		(1,962)	6,491
Mr. Murali Subramanian			
- Short term employee benefits		173	-
- Stock Appreciation Right		(1,772)	6,694
Mr. Pawan Kumar Agrawal (Chief Financial Officer)			
- Short term employee benefits		264	360
- Employee stock option		163	164
m) Loan provided to subsidiary/fellow subsidiary		March 31, 2022	March 31, 2021
Azure Power (Karnataka) Private Limited		350	-
Azure Power Forty One Private Limited		55,700	29,560
Azure Power Forty Three Private Limited		35,900	28,609
Azure Power Maple Private Limited		48,012	14,779
Azure Power Fifty One Private Limited		990	800
Azure Power Fifty Two Private Limited		400	-
Azure Power Fifty Three Private Limited		800	-
Azure Power Fifty Four Private Limited		800	-
Azure Power Fifty Six Private Limited		100	-
Azure Power Fifty Seven Private Limited		160	-
Azure Power Fifty Eight Private Limited		500	-
Azure Power Fifty Nine Private Limited		800	-
Azure Power Sixty Private Limited		800	-
Azure Power Thirty Eight Private Limited		170	608
Azure Solar Private Limited		-	300
Azure Power Infrastructure Private Limited		1,200	-
Azure Power (Raj.) Private Limited		300	-
Azure Sunrise Private Limited		500	-
Azure Power Forty Private Limited		36,930	-
Azure Power Rooftop (Genco) Private Limited		225	-
Azure Power Rooftop One Private Limited		252	-
Azure Power Rooftop Three Private Limited		67	-
Azure Power Rooftop Five Private Limited		78	-
n) Loan repaid by subsidiary/ fellow subsidiary		March 31, 2022	March 31, 2021
Azure Power Forty Six Private Limited		-	2,397
Azure Power Forty One Private Limited		52,848	1,572
Azure Power Fifty One Private Limited		990	800
Azure Power Fifty Two Private Limited		400	-
Azure Power Maple Private Limited		28,048	544
Azure Power Thirty Eight Private Limited		1,219	70
Azure Power Forty Four Private Limited		-	50
Azure Power (Punjab) Private Limited		-	1
Azure Solar Private Limited		300	-
Azure Power (Rajasthan) Private Limited		250	-
Azure Solar Solutions Private Limited		1,259	-
Azure Power Saturn Private Limited		13	-
Azure Power Forty Three Private Limited		26,000	-
o) Borrowings taken/transferred from subsidiary		March 31, 2022	March 31, 2021
Azure Power Pluto Private Limited		-	7,153
Azure Sunrise Private Limited		-	6,002
Azure Power (Haryana) Private Limited		9,387	5,321
Azure Power Thirty Four Private Limited		2,400	2,550
Azure Power Thirty Seven Private Limited		7,510	2,013
Azure Power Makemake Private Limited*		1,434	1,670



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Power (Punjab) Private Limited	-	806
Azure Power Thirty Six Private Limited	2,000	500
Azure Power Forty Four Private Limited	-	114
Azure Clean Energy Private Limited	-	31
Azure Urja Private Limited	7,700	26
Azure Sunshine Private Limited	7,850	12
Azure Surya Private Limited	-	9
Azure Power Mars Private Limited	-	8
Azure Power (Karnataka) Private Limited*	234	8
Azure Green Tech Private Limited*	13,716	-
Azure Solar Private Limited	2,091	-
Azure Renewable Energy Private Limited		

p) Repayment of borrowings to subsidiary

	March 31, 2022	March 31, 2021
Azure Power Pluto Private Limited	-	5,039
Azure Green Tech Private Limited	1,097	3,475
Azure Sunrise Private Limited	28,182	3,055
Azure Power Thirty Seven Private Limited	-	2,514
Azure Power Infrastructure Private Limited	-	2,512
Azure Photovoltaic Private Limited	-	927
Azure Power (Punjab) Private Limited	806	623
Azure Power (Haryana) Private Limited	9,100	540
Azure Power (Raj.) Private Limited	-	264
Azure Power Eris Private Limited	-	240
Azure Power Mars Private Limited	500	186
Azure Surya Private Limited	-	180
Azure Urja Private Limited	3,266	164
Azure Power (Karnataka) Private Limited	867	52
Azure Sunshine Private Limited	1,368	44
Azure Renewable Energy Private Limited	46	-
Azure Power Forty Four Private Limited	114	-

q) Investment in subsidiaries/ associate

	March 31, 2022	March 31, 2021
Azure Power Maple Private Limited	16,562	5,000
Azure Power Fifty One Private Limited	2,068	30
Azure Power Fifty Two Private Limited	1,468	30
Azure Power Fifty Three Private Limited	-	10
Azure Power Thirty Seven Private Limited	-	6
Azure Power Forty Two Private Limited	-	6
Azure Power Fifty Five Private Limited	-	1
Azure Power Fifty Six Private Limited	10	1
Azure Power Fifty Seven Private Limited	-	1
Azure Power Forty Private Limited	625	-
Azure Power Fifty Nine Pvt Ltd	1	-
Azure Power Sixty Pvt Ltd	1	-
Azure Power Sixty One Pvt Ltd	1	-
Azure Power Sixty Two Pvt Ltd	1	-
Kotuma Winds Parks Pvt Ltd	1	-
Two Wind Energy Pvt. Ltd.	1	-
Azure Power Sixty Three Private Limited	1	-
Azure Power Sixty Four Private Limited	1	-
Azure Power Fifty Eight Private Limited	-	1
Premier energies International Private Limited	938	-

r) Corporate guarantees given

	March 31, 2022	March 31, 2021
Azure Power Forty Three Private Limited	15,600	14,400
Azure Power Forty Private Limited	36,000	-
Azure Power Maple Private Limited	-	99,900
Azure Solar Private Limited	25,500	-
Azure Power Jupiter Private Limited	21,500	-



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
s) Corporate guarantees released		
Azure Power (Punjab) Private Limited	-	400
Azure Power (Haryana) Private Limited	-	950
Azure Power Jupiter Private Limited	21,500	892
Azure Urja Private Limited	-	1,200
Azure Surya Private Limited	-	1,100
Azure Power (Karnataka) Private Limited	-	650
Azure Photovoltaic Private Limited	-	1,600
Azure Power (Raj.) Private Limited	-	2,000
Azure Green Tech Private Limited	-	900
Azure Renewable Energy Private Limited	-	350
Azure Clean Energy Private Limited	-	1,500
Azure Sunrise Private Limited	-	1,150
Azure Power Eris Private Limited	-	250
Azure Power Pluto Private Limited	-	200
Azure Power Thirty Seven Private Limited	-	3,000
Azure Power Thirty Eight Private Limited	-	1,018
Azure Power Forty Private Limited	-	144
Azure Sunlight Private Limited	571	-
t) Interest income from investments in associate		
Premier energies International Private Limited	24	-
u) Refund of advance by subsidiary		
Azure Power Forty one Private Limited	1,740	-
v) Inter company balances written off		
Azure Solar Solutions Private Limited (till February 03, 2022)	955	-
Azure Renewable Energy Private Limited (till February 03, 2022)	1	-
Azure Sunlight Private Limited (till February 03, 2022)	2	-
Azure Power Mercury Private Limited	170	-
Azure Power Thirty Eight Private Limited	179	-
Azure Power Forty Four Private Limited	120	-
Azure Green Tech Private Limited	566	-
Azure Power (Karnataka) Private Limited	234	-
Azure Power Makemake Private Limited	234	-
Azure Power Fifty Three Private Limited	566	-
Azure Power Fifty Four Private Limited	521	-
Azure Power Fifty Nine Private Limited	550	-
Azure Power Sixty Private Limited	521	-
Azure Power Sixty two Private Limited	502	-
2. Balances outstanding at the end of the year		
a) Trade Receivable # (note 1)		
Azure Power (Punjab) Private Limited	-	2
Azure Solar Private Limited	16	104
Azure Power (Rajasthan) Private Limited	21	17
Azure Solar Solutions Private Limited (till February 03, 2022)	-	5
Azure Sun Energy Private Limited	25	25
Azure Urja Private Limited	37	84
Azure Power (Karnataka) Private Limited	5	4
Azure Photovoltaic Private Limited	1	6
Azure Power Infrastructure Private Limited	76	7
Azure Power (Raj.) Private Limited	-	10
Azure Green Tech Private Limited	3	-
Azure Renewable Energy Private Limited (till February 03, 2022)	-	41
Azure Sunlight Private Limited (till February 03, 2022)	-	2
Azure Sunshine Private Limited	2	5
Azure Power Earth Private Limited	9,132	9,008



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Power Eris Private Limited	-	3
Azure Power Jupiter Private Limited	1,419	3,337
Azure Power Makemake Private Limited	85	153
Azure Power Mars Private Limited	-	221
Azure Power Mercury Private Limited	-	4
Azure Power Pluto Private Limited	95	71
Azure Power Uranus Private Limited	36	14
Azure Power Venus Private Limited	479	14
Azure Power Saturn Private Limited	-	30
Azure Power Thirty Three Private Limited	23,603	22,415
Azure Power Thirty Four Private Limited	260	286
Azure Power Thirty Six Private Limited	1,071	1,101
Azure Power Thirty Seven Private Limited	12	52
Azure Power Thirty Eight Private Limited	-	14
Azure Power Forty Private Limited	392	307
Azure Power Forty One Private Limited	208	-
Azure Power Forty Three Private Limited	3,264	2,225
Azure Power Forty Four Private Limited	-	6,100
Azure Power Rooftop Three Private Limited	27	24
Azure Power Maple Private Limited	814	1,189
Azure Power Fifty One Private Limited	229	-
Azure Power Fifty Two Private Limited	324	-
Azure Power Fifty Three Private Limited	44	-
Azure Power Fifty Four Private Limited	44	-
Azure Power Fifty Seven Private Limited	43	-
Azure Power Fifty Nine Private Limited	44	-
Azure Power Sixty Private Limited	44	-
Azure Power Sixty two Private Limited	-	-
Kotuma Wind Parks Private Limited	1,434	-
Two Wind Energy Private Limited	4,303	-

Includes contract assets.

Note 1: Net of provision on trade receivables

b) Contractually reimburseable from subsidiaries/ fellow subsidiaries

	March 31, 2022	March 31, 2021
Azure Power Energy Limited	5	0
Azure Power Solar Energy Private Limited	1	-
Azure Power (Punjab) Private Limited	4	5
Azure Power (Haryana) Private Limited	1	6
Azure Solar Private Limited	-	90
Azure Power (Rajasthan) Private Limited	14	80
Azure Solar Solutions Private Limited	0	10
Azure Sun Energy Private Limited	5	5
Azure Urja Private Limited	-	5
Azure Surya Private Limited	-	15
Azure Power (Karnataka) Private Limited	-	9
Azure Photovoltaic Private Limited	499	0
Azure Power Infrastructure Private Limited	5	3
Azure Power (Raj.) Private Limited	648	-
Azure Green Tech Private Limited	4	9
Azure Renewable Energy Private Limited	0	2
Azure Clean Energy Private Limited	7	75
Azure Sunrise Private Limited	631	9
Azure Sunlight Private Limited	0	41
Azure Sunshine Private Limited	-	2
Azure Power Earth Private Limited	1	43
Azure Power Eris Private Limited	1	20
Azure Power Jupiter Private Limited	191	271
Azure Power Makemake Private Limited	-	247
Azure Power Mars Private Limited	0	-
Azure Power Mercury Private Limited	-	316
Azure Power Uranus Private Limited	202	237



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Power Venus Private Limited	122	147
Azure Power Saturn Private Limited	-	44
Azure Power Thirty Three Private Limited	-	765
Azure Power Thirty Four Private Limited	-	126
Azure Power Thirty Five Private Limited	0	0
Azure Power Thirty Seven Private Limited	32	23
Azure Power Thirty Eight Private Limited	-	32
Azure Power Thirty Nine Private Limited	0	0
Azure Power Forty One Private Limited	284	-
Azure Power Forty Two Private Limited	-	0
Azure Power Forty Three Private Limited	-	674
Azure Power Forty Four Private Limited	0	30
Azure Power Forty Five Private Limited	0	0
Azure Power Forty Six Private Limited	-	247
Azure Power Forty Nine Private Limited	0	0
Azure Power Fifty Private Limited	0	0
Azure Power Rooftop Private Limited	3,719	3,628
Azure Power Rooftop One Private Limited	37	34
Azure Power Rooftop Two Private Limited	2	2
Azure Power Rooftop Three Private Limited	8	7
Azure Power Rooftop Four Private Limited	6	5
Azure Power Rooftop Five Private Limited	6	5
Azure Power Rooftop Eight Private Limited	86	7
Azure Power Rooftop Five Private Limited	0	0
Azure Power Maple Private Limited	9,097	0
Azure Power Rooftop Five Private Limited	0	0
Azure Power Fifty One Private Limited	472	3
Azure Power Fifty Two Private Limited	472	27
Azure Power Fifty Five Private Limited	0	-
Azure Power Sixty One Private Limited	472	-
Azure Power Sixty two Private Limited	-	-
Kotuma Wind Parks Private Limited	177	-
Two Wind Energy Private Limited	142	-
Azure Power US Inc	6	5

c) Advance taken outstanding

	March 31, 2022	March 31, 2021
Azure Surya Private Limited	139	139
Azure Power (Karnataka) Private Limited	55	329
Azure Clean Energy Private Limited	-	0
Azure Power Eris Private Limited	-	14
Azure Power Uranus Private Limited	29	29
Azure Power Venus Private Limited	286	286
Azure Power Thirty Seven Private Limited	-	45
Azure Power Forty Private Limited	34	6
Azure Power Forty One Private Limited	-	1,740
Azure Power Forty Six Private Limited	-	3,140
Azure Power One Private Limited	-	0

d) Payable

	March 31, 2022	March 31, 2021
Azure Power Global Limited	183	669
Azure Power (Punjab) Private Limited	-	0
Azure Power (Haryana) Private Limited	-	2
Azure Solar Private Limited	19	-
Azure Urja Private Limited	14	27
Azure Surya Private Limited	129	55
Azure Power (Karnataka) Private Limited	28	-
Azure Photovoltaic Private Limited	494	-
Azure Power (Raj.) Private Limited	639	2
Azure Clean Energy Private Limited	-	64
Azure Sunrise Private Limited	617	-



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Power Mars Private Limited	-	218
Azure Power Mercury Private Limited	930	-
Azure Power Pluto Private Limited	92	74
Azure Power Thirty Three Private Limited	3	-
Azure Power Thirty Four Private Limited	7	-
Azure Power Thirty Six Private Limited	95	120
Azure Power Thirty Eight Private Limited	0	-
Azure Power Forty Private Limited	86	5
Azure Power Forty One Private Limited	-	196
Azure Power Forty Three Private Limited	475	-
Azure Power Forty Four Private Limited	-	4
Azure Power Rooftop (GenCo.) Private Limited	261	267
Azure Power Fifty Three Private Limited	299	-
Azure Power Fifty Four Private Limited	328	-
Azure Power Fifty Nine Private Limited	299	-
Azure Power Sixty Private Limited	328	-

e) Trade Payable

Mr. Inderpreet Singh Wadhwa (Former Director) (refer note 34)

March 31, 2022	March 31, 2021
-	334

f) Interest accrued on loans and advances*

	March 31, 2022	March 31, 2021
Azure Power Forty Three Private Limited	5,906	1,887
Azure Power Forty One Private Limited	3,478	814
Azure Power Jupiter Private Limited	536	264
Azure Power Maple Private Limited	2,589	359
Azure Power Forty Six Private Limited	-	215
Azure Solar Solutions Private Limited	-	206
Azure Power Thirty Three Private Limited	4,135	2,112
Azure Power (Rajasthan) Private Limited	214	112
Azure Power (Karnataka) Private Limited	3	-
Azure Power (Raj.) Private Limited	3	-
Azure Sunrise Private Limited	27	-
Azure Power Thirty Eight Private Limited	-	93
Azure Power Forty Private Limited	329	-
Azure Power Saturn Private Limited	-	90
Azure Power Earth Private Limited	1,713	898
Azure Power Makemake Private Limited	2	-
Azure Power Mercury Private Limited	-	81
Azure Power Rooftop Private Limited	15	15
Azure Solar Private Limited	-	13
Azure Power Thirty Nine Private Limited	7	3
Azure Power Infrastructure Private Limited	17	1
Azure Power Thirty Four Private Limited	1,028	663
Azure Power Thirty Six Private Limited	189	93
Azure Power Forty Four Private Limited	-	629
Azure Power Rooftop (GenCo) Private Limited	7	-
Azure Power Rooftop One Private Limited	11	-
Azure Power Rooftop Three Private Limited	3	-
Azure Power Rooftop Five Private Limited	3	-
Azure Power Fifty One Private Limited	27	-
Azure Power Fifty Two Private Limited	13	-
Azure Power Fifty Three Private Limited	0	-
Azure Power Fifty Four Private Limited	0	-
Azure Power Fifty Six Private Limited	0	-
Azure Power Fifty Seven Private Limited	3	-
Azure Power Fifty Eight Private Limited	1	-
Azure Power Fifty Nine Private Limited	0	-
Azure Power Sixty Private Limited	0	-

*Includes interest accrued on trade receivables from related parties.



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

	March 31, 2022	March 31, 2021
g) Interest due on borrowings		
Azure Sunrise Private Limited	-	235
Azure Power (Haryana) Private Limited	411	74
Azure Solar Private Limited	63	-
Azure Power Pluto Private Limited	742	60
Azure Clean Energy Private Limited	370	30
Azure Urja Private Limited	342	27
Azure Power Thirty Four Private Limited	388	21
Azure Power Thirty Seven Private Limited	541	17
Azure Power Makemake Private Limited	231	14
Azure Sunshine Private Limited	346	10
Azure Power Forty Four Private Limited	-	9
Azure Power Mars Private Limited	35	8
Azure Power (Karnataka) Private Limited	-	7
Azure Surya Private Limited	91	7
Azure Power (Punjab) Private Limited	-	7
Azure Renewable Energy Private Limited	0	6
Azure Power Thirty Six Private Limited	170	4
Azure Power Rooftop (Genco) Private Limited	0	-
Azure Power Earth Private Limited	0	-
Azure Green Tech Private Limited	547	-
h) Loan to subsidiary/fellow subsidiary		
Azure Power (Rajasthan) Private Limited	900	1,150
Azure Solar Solutions Private Limited	-	783
Azure Power (Karnataka) Private Limited	350	-
Azure Power Infrastructure Private Limited	1,200	-
Azure Power (Raj.) Private Limited	300	-
Azure Sunrise Private Limited	500	-
Azure Power Earth Private Limited	136	136
Azure Power Jupiter Private Limited	2,766	2,766
Azure Power Mercury Private Limited	40	40
Azure Power Saturn Private Limited	-	13
Azure Power Thirty Three Private Limited	344	344
Azure Power Thirty Four Private Limited	3,470	3,470
Azure Power Thirty Eight Private Limited	-	1,215
Azure Power Thirty Nine Private Limited	34	34
Azure Power Forty Private Limited	36,930	-
Azure Power Forty One Private Limited	13,629	10,777
Azure Power Forty Three Private Limited*	38,509	28,609
Azure Power Rooftop (Genco) Private Limited	225	-
Azure Power Rooftop One Private Limited	252	-
Azure Power Rooftop Three Private Limited	67	-
Azure Power Rooftop Five Private Limited	78	-
Azure Power Maple Private Limited	36,290	16,326
Azure Power Fifty Three Private Limited	245	-
Azure Power Fifty Four Private Limited	280	-
Azure Power Fifty Six Private Limited	100	-
Azure Power Fifty Seven Private Limited	160	-
Azure Power Fifty Eight Private Limited	500	-
Azure Power Fifty Nine Private Limited	251	-
Azure Power Sixty Private Limited	280	-
Azure Solar Private Limited	-	300
i) Borrowings taken		
Azure Power (Punjab) Private Limited	-	806
Azure Power (Haryana) Private Limited	9,187	8,900
Azure Solar Private Limited	2,091	-
Azure Urja Private Limited	7,700	3,266
Azure Surya Private Limited	878	878
Azure Power (Karnataka) Private Limited*	234	868
Azure Green Tech Private Limited*	12,619	-



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

Azure Renewable Energy Private Limited	-	46
Azure Clean Energy Private Limited	3,571	3,571
Azure Sunrise Private Limited	-	28,182
Azure Sunshine Private Limited	7,650	1,168
Azure Power Mars Private Limited	444	944
Azure Power Pluto Private Limited	7,153	7,153
Azure Power Thirty Seven Private Limited	9,523	2,013
Azure Power Makemake Private Limited*	3,104	1,670
Azure Power Thirty Four Private Limited	4,950	2,550
Azure Power Thirty Six Private Limited	2,500	500
Azure Power Forty Four Private Limited	-	114
Azure Power Rooftop (GenCo.) Private Limited	0	-

j) Outstanding Corporate guarantees

	March 31, 2022	March 31, 2021
Azure Sun Energy Private Limited	1,437	1,437
Azure Sunlight Private Limited	-	571
Azure Power Jupiter Private Limited	-	20,332
Azure Power Thirty Eight Private Limited	4,498	4,498
Azure Power Mercury Private Limited	36,099	36,099
Azure Power Forty Private Limited	36,000	-
Azure Power Forty Three Private Limited	2,10,900	1,95,300
Azure Power Rooftop (Genco) Private Limited	6,571	6,571
Azure Power Rooftop One Private Limited	10,666	10,666
Azure Power Rooftop Three Private Limited	2,517	2,517
Azure Power Rooftop Five Private Limited	1,445	1,445
Azure Power Maple Private Limited	99,900	99,900

l) Payable for Cash-settled share-based payments

	March 31, 2022	March 31, 2021
Mr. Ranjit Gupta	4,281	6,242
Mr. Murali Subramanian	4,163	5,935

Terms and conditions of transactions with related parties

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

- Loans from/to related parties carry an interest rate of 6.95% - 10.60% p.a. and are repayable/receivable in accordance with the terms of the
- The Company has given corporate guarantee to the banks and financial institutions in respect of loan taken by the subsidiaries/fellow subsidiaries. (refer note 30)

- Azure Power Global Limited (ultimate holding Company) and our Company, are respondents in arbitration proceedings initiated by the former Chairman, CEO and Managing Director of the Company, Mr. Inderpreet Singh Wadhwa ("IW") and former COO Mr. H.S Wadhwa ("HSW"), in relation to the purchase price of the shares of IW's and HSW's in the Company. The arbitration was conducted under the Singapore International Arbitration Centre (SIAC) Rules, with the seat of arbitration in Singapore and was decided in favor of the Company by way of award. The Company has filed enforcement petition before the High Court of Delhi. Management strongly believes in the merits of the case; however, an unfavorable outcome in these proceedings could potentially have a material adverse effect on the results of operations, cash flows and financial condition. As management believes it will be successful in the arbitration, the Company has not accrued any amount with respect to this arbitration in its standalone financial statements. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 5, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in our favour has been upheld. We have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed by the Hon'ble High Court till date. This matter is next listed for hearing on February 14, 2024.

*During the year, the Company entered in to a contract ("Rooftop Sale Agreement") with Radiance Renewables Private Limited ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") at agreed consideration. During earlier years, the Azure Power (Karnataka) Private Limited, Azure Green Tech Private Limited and Azure Power Makemake Private Limited (the subsidiary companies) had given certain loans to Azure Renewable Energy Private Limited (the rooftop Subsidiary under sale), out of which INR 234 Lakhs , INR 566 Lakhs and INR 234 Lakhs respectively were outstanding as of the date of sale of the subsidiary. Basis the consideration agreed with the Radiance in relation to sale of Azure Renewable Energy Private Limited, the Company have agreed to repay the above-mentioned loan amount. The same balance is outstanding in books as of March 31, 2022.

- During the current year the company has invested INR 938 lakhs (previous year INR Nil) in Premier Energies International Private Limited (a associate company) pursuant to Module Supply Agreement.

- On April 26, 2022, the Company through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr . Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect.



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2022

(All amount in INR lakhs, unless otherwise stated)

27. Segment information

The Company's activities mainly involve sale of electricity. Considering the nature of Company's business and operations, there are no separate reportable operating segments in accordance with the requirements of Indian Accounting Standard 108, 'Operating Segments' referred in to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The Company's principal operations, revenue and decision-making functions are located in India and there are no revenue and non-current assets outside India.

Information about revenue from major cutomers who contributed 10% or more relating to revenue from sale of power:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Power:		
Solar Energy Corporation of India	11,169	12,939
NTPC Vidyut Vyapar Nigam Limited	9,216	9,390
Chhattisgarh State Power Distribution Company Limited	2,729	2,847



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2022

(All amount in INR lakhs, unless otherwise stated)

28. Disclosure relating to Corporate Social Responsibility (CSR) Expenditure

As per provision of Section 135 of the Companies Act, 2013 read with Companies Amendment Act, 2021, the Company has to spent at least 2% of the average profits of the preceding three financial years towards CSR. Accordingly, a CSR committee has been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the company during the year	-	180
Amount of expenditure incurred		
(i) Construction/acquisition of an asset	-	180
(ii) On purposes other than (i) above	84	-
Amount approved by Board	84	180
(Excess)/Shortfall at the end of the year	-	-
Total of previous years shortfall/(excess)	-	-
Amount spent towards obligations in relation to:		
Ongoing projects	-	-
Other than Ongoing projects	84	180
Accrual towards unspent obligations	-	-
Reason for shortfall	Not Applicable	Not Applicable
Nature of CSR activities	Skill development, supply of PPE kits and other eligible expenditure	Skill development, supply of dry ration and other eligible expenditure
Details of related party transactions	Not Applicable	Not Applicable

29. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Micro and Small Enterprises have been identified by management from the available information. On the basis of the information and records available with the management, following are outstanding dues to the Micro and Small Enterprises:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	395	619
Principal amount due to micro and small enterprises*	199	465
Interest due on above	42	154
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	42	154
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	196	154

* Includes payable of INR 143 lakhs (March 31, 2021 : INR 28 lakhs) relating to purchase of capital assets.



Azure Power India Private Limited

Notes to standalone financial statements for the year ended March 31, 2022

(All amount in INR lakhs, unless otherwise stated)

30. Financial guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its group Companies. In accordance with the policy of the Company (refer note 2.2 (I)). The Company has designated such guarantees as "Insurance Contracts". The Company has classified financial guarantees as Contingent Liabilities. Accordingly, there are no assets and liabilities recognized in the balance sheet under these contracts.

Refer below for details:-

Company Name	As at March 31, 2022	As at March 31, 2021
Azure Sun Energy Private Limited	1,437	1,437
Azure Sunlight Private Limited	-	571
Azure Power Jupiter Private Limited	-	20,332
Azure Power Thirty Eight Private Limited	4,498	4,498
Azure Power Forty Private Limited	36,000	-
Azure Power Forty Private Limited	36,099	36,099
Azure Power Rooftop (Genco) Private Limited	6,571	6,571
Azure Power Rooftop One Private Limited	10,666	10,666
Azure Power Rooftop Three Private Limited	2,517	2,517
Azure Power Rooftop Five Private Limited	1,445	1,445
Azure Power Forty Three Private Limited	2,10,900	1,95,300
Azure Power Maple Private Limited	99,900	99,900
	4,10,033	3,79,336



Azure Power India Private Limited
Notes to standalone financial statements for the year ended March 31, 2022
(All amount in INR lakhs, unless otherwise stated)

31. Leases

Company as lessee:

The Company leases land for construction of solar power plants and building space to be used as corporate office. These leases typically run for 9 to 27 years which is further extendable on mutual agreement by both lessor and lessee.

Information about the leases for which the Company is a lessee is presented below:

i) Right-of-use assets

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	4,555	8,020
Additions during the year	-	1,471
Adjustment due to change in estimates	(189)	(61)
Lease modification during the year	-	(4,330)
Depreciation for the year	(335)	(545)
Closing balance	4,031	4,555

ii) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movement during the year:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	3,502	6,897
Additions during the year	-	1,632
Lease modification during the year	-	(4,804)
Accretion of interest	304	457
Payments	(400)	(680)
Closing balance	3,406	3,502

Particulars	As at March 31, 2022	As at March 31, 2021
Current	373	373
Non-current	3,033	3,129
Total	3,406	3,502

Below are the amounts recognised by the Company in the statement of profit and loss:

Particulars	For the year ended March 31, 2022	For the year ended# March 31, 2021
Interest on lease liabilities	304	457
Depreciation on right of use of assets	335	489
Expenses relating to short-term leases	62	14
Gain on lease modification	-	475
Total	701	1,435

Refer note 44 for restatement

Below are the amount recognised by the Company in the statement of cash flows:

Particulars	For the year ended March 31, 2022	For the year ended# March 31, 2021
Total cash outflow for leases	399	680

The maturity analysis of leases is disclosed in note 38. The weighted average incremental borrowing rate applied to lease liabilities is 10%. The Company has applied single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.

Extension options:

Lease contain extension options exercisable by the Company before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only on mutual agreement. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

32. Commitments and contingencies

a) Commitments

(i) The Company has commitments of INR 135 lakhs (net of advances) (March 31, 2021: INR 82 lakhs) for purchases of capital assets.

(ii) The Company has entered into below Power Purchase Agreement (PPA) to supply power :

Name of Authority	Capacity (in MWs)	PPA Date	Tariff (INR/Kwh)	Duration of PPA in Years
Chhattisgarh State Power Distribution Company Limited	10	August 01, 2014	6.44	25
Chhattisgarh State Power Distribution Company Limited	10	September 01, 2014	6.45	25
Chhattisgarh State Power Distribution Company Limited	10	September 15, 2014	6.46	25
Bangalore Electricity Supply Company Limited	10	September 27, 2014	6.66	25
Solar Energy Corporation of India Limited	3	October 14, 2015	5.43	25
NTPC Vidyut Vyapar Nigam Limited	100	April 19, 2016	5.12	25
Solar Energy Corporation of India Limited	200	April 27, 2018	2.48	25



b) Contingent liabilities:

	March 31, 2022	March 31, 2021
(i) Guarantees, letter of credit and counter guarantees given by the Company	4,60,485	4,24,506

(ii) The Company had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). During the current year, the Company has received an unfavourable Award from the Mumbai Centre for International Arbitration in relation to Mr. Wadhwa's transition from the Company, and subsequently made payments as required in the Award, without prejudice to its rights.

In respect of second matter, during the current year the Company received a favourable Award from Singapore International Arbitration Centre in relation to the purchase price of shares, held by Mr. Inderpreet Singh Wadhwa and Mr. H. S. Wadhwa (HSW) (erstwhile Chief Operating Officer), in Azure Power India Private Limited. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 05, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in our favour has been upheld. We have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed by the Hon'ble High Court till date. This matter is next listed for hearing on February 14, 2024.

(iii) A PIL had been initiated by certain individuals claiming to be wildlife experts/interested in conservation of wildlife, before the Supreme Court of India against various state governments such as Rajasthan, Gujarat, and Ministry of Renewable Energy (MNRE), Ministry of Power (MOP) among others, seeking protection of the two endangered bird species, namely the Great Indian Bustard (GIB) and the Lesser Florican found in the states of Rajasthan and Gujarat. The Supreme Court by way of order dated April 19, 2021 issued directions to: (i) underground all low voltage transmission lines, existing and future lines falling in potential and priority habitats of GIB, (ii) to convert all existing high voltage lines in priority and potential areas of GIB where found feasible within a period of one year, if not found feasible, the matter to be referred to the committee formed by the Supreme Court which will take a decision on feasibility, and (iii) to install bird diverters on all existing overhead lines in the interim.

We and many other developers have projects in the potential area as determined by the court, hence aggrieved by the order, the Solar Power Developers Association ("SPDA") and Union of India have filed an application before the Supreme Court seeking among others, exemption from undergrounding of transmission lines in potential areas. The matter was last listed on November 30, 2022, whereby directions have been passed to parties to ensure installation of bird diverters in the Priority Area and for them to be in compliance with quality standards issued by the Supreme Court Committee. The PIL is presently pending. The SPDA has filed an application seeking modification of Supreme Court's order dated April 19, 2021. If the modification application is dismissed, we might entail significant costs and delays. Based on evaluation of management the capital outflow for acquisition and installation of bird diverters are not material.

(iv) During the previous year, Azure Power India Private Limited ("AZI" or "Holding Company") filed petition with Central Electricity Regulatory Commission ("CERC") seeking directions from CERC to Power Grid Corporation of India Limited ("PGCIL") to extend the long-term open access start date under the Long Term Access Agreement executed by AZI and PGCIL to align the same with Scheduled Commercial Operation Dates ("SCODs") of the company and extend the deadline for completion of the dedicated transmission line and pooling substation under the Transmission Agreement between AZI and PGCIL to appropriately align the same with the SCODs and not to take any coercive action against the Petitioners including but not limited to imposition of charges on account of operationalization of LTA.

Subsequent to the year end in December 2022, the Company received an unfavourable order from CERC, whereby CERC has disallowed the petition in line with the order dated May 23, 2022, in Petition No. 525/MP/2020 in which the Commission has already inter alia held that the waiver from transmission charges under Ministry of Power orders apply after the COD of the generating station and does not provide any exemption from payment of charges before COD. The Company is in process of evaluating to file an appeal before the appellate authority. The Company is expecting to receive requisite waivers over-due course resulting thereto no financial impact is being taken in books of account.

(v) During the earlier years, the Company had received a demand of INR 1,200 lakhs (INR 1,200 lakhs as at March 31, 2021) related to services tax assessment from FY 2014-15 to 2016-17. The Company is contesting the demand and is confident that there should not be a tax outflow related to this claim.

33. Derivative instruments and hedging activities:

Contract designated as cash flow hedge:

During financial year 2018-19 and 2019-20, the Company entered into buyer's credit facility amounting to US\$ 228.01 Lakhs and US\$ 345.80 Lakhs, respectively, at six months LIBOR plus 0.5% spread, for its 200 MW solar power project. The Company has taken USD/INR currency swap for its principal and interest payment. As per this swap arrangement, the Company pays fixed INR and receive USD and pays fixed interest ranging between 8.11% to 8.12%, for respective buyer's credit and receives a variable interest at six months LIBOR plus 0.5% on the US\$ notional amount. The facility was repayable starting from September 2021 till April 2022. The Company has repaid the facility during the current year.

During financial year 2020-21, the Company took a long term borrowing amounting to US\$ 930 Lakhs, at LIBOR plus margin of 3.95% and the loan is repayable in 8 half yearly instalments commencing November 2021. The funds were provided to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of various specified projects. The Company has taken US\$ 930 Lakh currency swap for its principal and interest payment. As per this swap arrangement, the Company pays fixed INR and receive USD and pays fixed interest ranging between 9.10 to 10.20%, for these long term borrowing and receives a variable interest at six months LIBOR plus 3.95% on the US\$ notional amount. During the year, the Company has tested the effectiveness of the hedge relationship and the

The risk management objective of the hedge arrangement is to reduce the variability in payment of foreign currency equivalent cash flows arising from repayment of principal and interest components.

The following table presents outstanding notional amount and balance sheet location information related foreign exchange derivative contracts as of March 31, 2022 and March 31, 2021.

	March 31, 2022	March 31, 2021
Notional Amount (USD denominated)	907	1,504
Non-current – Other financial liabilities (INR)	-	2,374
Non-current – Other financial assets (INR)	337	208
Current – Other financial assets (INR)	-	378
Current – Other financial Liability (INR)	-	-

Particulars of un-hedged foreign currency exposure as at March 31, 2022 and March 31, 2021

	March 31, 2022		March 31, 2021	
	USD	INR	USD	INR
Trade payables	8.21	622	3.50	257



34. Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

a) Reconciliation of the amount of revenue recognised in statement of profit and loss with the contracted price:

	As at March 31, 2022	As at March 31, 2021
Revenue as per Contracted price	32,686	38,292
Adjustments for:		
Rebate/Discount	(307)	(330)
Amortisation of extension charges	(14)	(14)
Revenue from contract with customers	32,365	37,948

b) Movement in expected credit loss on trade receivables during the year (refer note 2.2(k)):

	As at March 31, 2022	As at March 31, 2021
Opening balance	50	491
Changes in allowance for expected credit loss:		
Provision towards credit impaired receivables during the year	167	-
Trade receivable written off during the year	(63)	-
Amounts written back during the year	-	(441)
Closing balance	154	50

c) Contract balances

The following table provides information about trade receivables and contract assets as at March 31, 2022 and March 31, 2021.

	As at March 31, 2022	As at March 31, 2021
Non current assets		
Trade receivables	40,805	38,354
Contract assets*	275	289
Current assets		
Trade receivables	20,014	13,116
Contract assets*	14	14
Other current liabilities		
Contract liabilities	9,196	-

* Represents liquidated damages incurred by the Company on account of delay in commissioning of projects which are considered as variable consideration by the Company and hence, amortised over the period of Power Purchase Agreement i.e. 25 years as per requirement of Ind AS 115.

Movement of Contract Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	303	317
Addition during the year	-	-
Deletion/adjustment during the year	(14)	(14)
Closing Balance	289	303

Movement of Contract Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	-	-
Addition during the year	9,619	-
Revenue recognised during the year	(423)	-
Closing Balance	9,196	-

(This space has been intentionally left blank)



35. Employee benefits

(a) Defined contribution plan

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employee Provident Fund is deposited with the Regional Provident Fund Commissioner.

The Company has recognised INR 218 Lakhs (March 31, 2021: INR 185 Lakhs) for provident fund contribution in the statement of profit and loss. The contribution payable to the plan by the Company is at the rate specified in the rules to the scheme.

(b) Defined benefit plan

Gratuity and other post-employment benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is unfunded and accrued cost is recognised through reserve in the accounts of the company.

The following tables summaries the components of net benefit expense recognized in the profit and loss account and the unfunded status and amounts recognized in the balance sheet.

Statement of profit and loss

Amounts recognised in Statement of Profit & Loss for the year ended March 31, 2022

	Gratuity	
	March 31, 2022	March 31, 2021
Current service cost	75	45
Interest cost on benefit liability	19	11
Net expense recognized in statement of profit and loss	94	56

Amount recognised in other comprehensive income for the year ended March 31, 2022:

	Gratuity	
	March 31, 2022	March 31, 2021
Effect of change in financial assumptions	12	(39)
Effect of change in demographic assumptions	-	(17)
Experience (gains)/ losses	(31)	21
Actuarial loss recognized in the year	(19)	(35)

Balance Sheet figures as at:

	Gratuity	
	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	335	230

Changes in the present value of the defined benefit obligation for the year ended March 31, 2022 are as follows:

	Gratuity	
	March 31, 2022	March 31, 2021
Present value of obligation as at the beginning	230	144
Current service cost	75	45
Interest cost	19	11
Re-measurement or actuarial loss	19	35
Benefits paid	(8)	-
Acquisitions/Business combinations/Divestitures	-	(5)
Present value of obligation as at the end	335	230
Current portion	22	9
Non-current portion	313	221



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The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2022	March 31, 2021
Discount rate (per annum)	7.42%	7.03%
Employee turnover rate (per annum)	9.00%	9.00%
Withdrawal rate (per annum)	9.00%	9.00%
Salary escalation rate (per annum)	10.00%	10.00%
Retirement age	58 years	58 years

The estimates of future salary increases considered in actuarial valuation taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- Discount rate- Increase/ reduction in discount rate in subsequent valuations can decrease/increase the liability.
- Salary escalation rate- Actual salary increases/decrease will increase/decrease the defined benefit liability. Increase/decrease in salary increase rate assumption in future valuations which in turn also increase/decrease the liability.
- Withdrawal rate- Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

	Discount rate			
	March 31, 2022		March 31, 2021	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	(28)	32	(21)	24

	Salary Escalation Rate			
	March 31, 2022		March 31, 2021	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	32	(28)	24	(21)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not computed. Further, there are no changes in current year from the previous year in the methods and assumptions used in preparing the sensitivity analysis.

The Company does not have any plan assets. Company has sufficient balance of cash and cash equivalent to fund the liabilities that may arise in near future.

Expected maturity analysis of the defined benefit plans in the next ten years are as follows:

	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	23	9
Between 2 and 5 years	91	60
Between 5 and 10 years	184	107

Expected contributions to post-employment benefit plans for the year ending 31 March 2023 are INR 444 lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 11.73 years (March 31, 2021: 13.64 years).



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36. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets carried at amortised cost				
Trade receivables (Non- current)	40,805	38,354	40,805	38,354
Loans to subsidiaries/fellow subsidiaries	37,742	80,028	37,742	80,028
Security deposits	458	149	458	149
Performance bank guarantee receivable	88	78	88	78
Term deposits	25,764	26,611	25,764	26,611
Total	1,04,857	1,45,220	1,04,857	1,45,220
Financial assets measured at fair value				
Derivative instruments at fair value through OCI ⁽¹⁾	337	208	337	208
Total	337	208	337	208
Financial liabilities carried at amortised cost				
Term loans from banks - In Indian currency ⁽²⁾ (Including current maturities)	24,233	11,905	24,233	11,905
Foreign currency loan from bank ⁽²⁾ (Including current maturities)	14,332	55,557	14,332	55,557
Foreign currency loan from financial institutions ⁽²⁾ (Including current maturities)	53,727	53,060	53,727	53,060
Term loans from financial institutions - In Indian currency ⁽²⁾ (Including current maturities)	1,01,223	70,736	1,01,223	70,736
Vehicle loan ⁽²⁾ (Including current maturities)	87	-	87	-
Non-convertible debentures ⁽³⁾	-	18,731	-	18,981
Loan from subsidiaries ⁽³⁾	71,604	62,457	71,604	62,457
Total	2,65,206	2,72,446	2,65,206	2,72,696
Financial liabilities measured at fair value				
Derivative instruments at fair value through OCI ⁽¹⁾	-	2,374	-	2,374
Cash-settled share-based payments at fair value through profit and loss (including current portion) ⁽⁴⁾	8,444	12,177	8,444	12,177
Total	8,444	14,551	8,444	14,551

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to subsidiaries/fellow subsidiaries, loan to subsidiaries/fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

The following methods and assumptions were used to estimate the fair values:

Measured at fair value:

⁽¹⁾ The Company enters into derivative financial instrument (USD-INR full currency swap) with various counterparties, principally financial institutions with investment grade credit ratings. These derivatives are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves etc.

⁽⁴⁾ Fair value of cash-settled share based payment is based on valuation as on reporting date.

At amortised cost:

⁽²⁾ Fair value of long-term loan having floating rate of interest approximate the carrying amount of those loans as there was no significant change in the Company's own credit risk during the current year (Level 3). Unamortised cost of borrowing has been adjusted with the closing balance of borrowings at the reporting date. Further, these amount also includes current portion of long term debt.

⁽³⁾ The fair values of the fixed interest-bearing non-current borrowings are determined by Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2022 was assessed to be insignificant. Unamortised cost of borrowing has been adjusted with the closing balance of borrowings at the reporting date. Further, these amount also includes current portion of long term debt.



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37. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2022:

	Fair value measurement using			
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets carried at amortised cost				
Trade receivables	40,805	-	-	40,805
Loans to subsidiaries/fellow subsidiaries	37,742	-	-	37,742
Security deposits	458	-	-	458
Performance bank guarantee receivable	88	-	-	88
Term deposits	25,764	-	-	25,764
Financial assets measured at fair value				
Derivative instruments at fair value through OCI	337	-	337	-

There have been no transfers between Level 1 and Level 2 during the year.

	Fair value measurement using			
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities carried at amortised cost				
Term loans from banks - In Indian Currency (Including current maturities)	24,233	-	-	24,233
Foreign currency loan from bank (Including current maturities)	14,332	-	-	14,332
Foreign currency loan from financial institution (Including current maturities)	53,727	-	-	53,727
Term Loans from financial institution - In Indian Currency (Including current maturities)	1,01,223	-	-	1,01,223
Vehicle loan (Including current maturities)	87	-	-	87
Loan from subsidiaries (Including current maturities)	71,604	-	-	71,604
Financial liabilities measured at fair value				
Cash-settled share-based payments at fair value through profit and loss (including current portion)	8,444	-	8,444	-

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2021:

	Fair value measurement using			
	Carrying value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets carried at amortised cost				
Trade receivables	38,354	-	-	38,354
Loans to subsidiaries/fellow subsidiaries	80,028	-	-	80,028
Security deposits	149	-	-	149
Performance bank guarantee receivable	78	-	-	78
Term deposits	26,611	-	-	26,611
Financial assets measured at fair value				
Derivative instruments at fair value through OCI	208	-	208	-



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37. Fair value hierarchy

There have been no transfers between Level 1 and Level 2 during the year.

Carrying value	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial liabilities carried at amortised cost				
Term loans from banks - In Indian Currency (Including current maturities)	11,905	-	-	11,905
Foreign currency loan from bank (Including current maturities)	55,557	-	-	55,557
Foreign currency loan from financial institution (Including current maturities)	53,060	-	-	53,060
Term loans from financial institution - In Indian Currency (Including current maturities)	70,736	-	-	70,736
Non-convertible debentures (Including current maturities)	18,731	-	-	18,981
Loan from subsidiary (Including current maturities)	62,457	-	-	62,457
Financial liabilities measured at fair value				
Derivative instruments at fair value through other comprehensive income	2,374	-	2,374	-
Cash-settled share-based payments at fair value through profit and loss (including current portion)	12,177	-	12,177	-

There have been no transfers between Level 1 and Level 2 during the year.

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to subsidiaries/fellow subsidiaries, loan to subsidiaries/fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.



38. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents, deposits with banks and other financial assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment in mutual funds and derivative instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Financial instruments comprise of non-convertible debentures, loans to/from subsidiaries/fellow subsidiaries which are fixed interest bearing whereas term loans from banks/financial institution are both fixed and floating interest bearing. Remaining financial assets and liabilities are non-interest bearing.

As at the reporting date, the Company's interest rate profiles is as follows:

	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
As at March 31, 2022				
Financial assets	-	2,00,438	4,48,111	6,48,549
Financial liabilities	1,93,515	71,691	34,088	2,99,294
As at March 31, 2021				
Financial assets	-	1,13,768	3,83,902	4,97,670
Financial liabilities	1,91,258	96,515	26,479	3,14,252

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial liabilities, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	March 31, 2022	March 31, 2021
Effect on profit before tax	+ / (-) 50	(-) / + 968	(-) / + 956

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment. Though there is exposure on account of interest rate movement as shown above but the Company minimises the foreign currency (US dollar) interest rate exposure through derivatives and INR interest rate exposure through re-financing.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company are exposed to foreign currency risk arising from changes in foreign exchange rates on foreign currency loan, derivative financial instruments and operating payables/receivables. The Company enters into foreign exchange derivative contracts to mitigate fluctuations in foreign exchange rates in respect of these loans.

The following table analysis foreign currency risk from financial instruments relating to US\$ as of March 31, 2022 and March 31, 2021:

	As at March 31, 2022	As at March 31, 2021
Borrowings		
Foreign currency loans from banks and financial institutions	70,339	1,10,531
Trade payables	622	257



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Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD/Rupee exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary liabilities. The company's exposure to foreign currency changes for all other currencies is not material.

Effect on profit before tax	Change in USD rate		March 31, 2022		March 31, 2021	
	+/(-)5%	(-)/+			+/(-)5%	
			3,548			5,539

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from their operating activities (primarily trade receivables), financing activities, deposits with banks and financial institutions, other financial instruments and inter company loans and deposits.

(a) Trade receivables

Customer credit risk is managed on the basis of Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivable as high. However, since the trade receivables mainly comprise of state utilities/government entities, the Company does not foresee any credit risk attached to receivables from such state utilities/government entities. The Company does not hold collateral as security.

Movement in expected credit loss on trade receivables during the year :

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Opening balance	50	491
Changes in allowance for expected credit loss:		
Provision created during the year (refer note 23)	167	-
Trade receivable written off during the year	(63)	-
Written back during the year	-	(441)
Closing balance	154	50

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of Company to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2022				
Lease liabilities	397	1,804	5,826	8,027
Borrowings*	51,978	1,05,106	1,27,141	2,84,225
Loan from subsidiaries*	-	75,882	-	75,882
Trade payables	8,319	-	-	8,319
Other financial liabilities**	15,806	-	-	15,806
	76,500	1,82,792	1,32,967	3,92,259
As at March 31, 2021				
Lease liabilities	390	1,720	6,307	8,417
Borrowings*	58,540	2,27,969	96,014	3,82,523
Current borrowings	15,327	-	-	15,327
Trade payables	3,180	-	-	3,180
Other financial liabilities**	3,816	11,157	-	14,973
	81,253	2,40,846	1,02,321	4,24,420

*Including interest on non-current borrowings.

**Excluding interest accrued on borrowings.



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39. Disclosure of interest in subsidiaries and associates:-

List of interest in subsidiaries: -

Name	Country of Incorporation /Principal place of business	% equity interest#	
		March 31, 2022	March 31, 2021
Subsidiaries			
Azure Power (Punjab) Private Limited	India	100%	100%
Azure Power (Haryana) Private Limited	India	99.17%	99.17%
Azure Solar Private Limited	India	92.31%	92.31%
Azure Power (Rajasthan) Private Limited	India	100%	100%
Azure Solar Solutions Private Limited**	India	-	100%
Azure Sun Energy Private Limited	India	100%	100%
Azure Urja Private Limited	India	73.80%	73.80%
Azure Surya Private Limited	India	67.33%	67.33%
Azure Power (Karnataka) Private Limited	India	58.87%	58.87%
Azure Photovoltaic Private Limited	India	100%	100%
Azure Power Infrastructure Private Limited	India	94.59%	94.59%
Azure Power (Raj.) Private Limited	India	100%	100%
Azure Green Tech Private Limited	India	100%	100%
Azure Renewable Energy Private Limited**	India	-	100%
Azure Clean Energy Private Limited	India	100%	100%
Azure Sunrise Private Limited	India	100%	100%
Azure Sunlight Private Limited***	India	-	100%
Azure Sunshine Private Limited	India	100%	100%
Azure Power Earth Private Limited	India	100%	100%
Azure Power Eris Private Limited	India	100%	100%
Azure Power Jupiter Private Limited	India	51.01%	51.01%
Azure Power Makemake Private Limited	India	100%	100%
Azure Power Mars Private Limited	India	100%	100%
Azure Power Mercury Private Limited**	India	51.40%	100%
Azure Power Pluto Private Limited	India	100%	100%
Azure Power Uranus Private Limited	India	100%	100%
Azure Power Venus Private Limited	India	100%	100%
Azure Power Saturn Private Limited**	India	51.40%	100%
Azure Power Thirty Three Private Limited	India	100%	100%
Azure Power Thirty Four Private Limited	India	100%	100%
Azure Power Thirty Five Private Limited	India	100%	100%
Azure Power Thirty Six Private Limited	India	100%	100%
Azure Power Thirty Seven Private Limited	India	99.84%	99.84%
Azure Power Thirty Eight Private Limited**	India	51%	100%
Azure Power Thirty Nine Private Limited**	India	100%	100%
Azure Power Forty Private Limited	India	100%	100%
Azure Power Forty One Private Limited	India	100%	100%
Azure Power Forty Two Private Limited	India	100%	100%
Azure Power Forty Three Private Limited	India	100%	100%
Azure Power Forty Four Private Limited**	India	51.40%	100%
Azure Power Forty Five Private Limited*	India	-	100%
Azure Power Forty Six Private Limited	India	-	100%
Azure Power Forty Seven Private Limited*	India	-	100%
Azure Power Forty Eight Private Limited*	India	-	100%
Azure Power Forty Nine Private Limited*	India	-	100%
Azure Power Fifty Private Limited*	India	-	100%



Name	Country of Incorporation /Principal place of business	% equity interest#	
		March 31, 2022	March 31, 2021
Azure Power Fifty One Private Limited	India	100%	100%
Azure Power Fifty Two Private Limited	India	100%	100%
Azure Power Fifty Three Private Limited	India	100%	100%
Azure Power Fifty Four Private Limited	India	100%	100%
Azure Power Maple Private Limited	India	100%	100%
Azure Power US Inc.	United States of America	100%	100%
Aster Power Inc. (dissolved on August 17, 2018)	United States of America	-	-
Azure Power Fifty Five Private Limited***	India	-	100%
Azure Power Fifty Six Private Limited	India	100%	100%
Azure Power Fifty Seven Private Limited	India	100%	100%
Azure Power Fifty Eight Private Limited	India	100%	100%
Azure Power Fifty Nine Private Limited	India	100%	-
Azure Power Sixty Private Limited	India	100%	-
Azure Power Sixty two Private Limited	India	100%	-
Azure Power Sixty one Private Limited	India	100%	-
Azure Power Sixty Three Private Limited	India	100%	-
Azure Power Sixty Four Private Limited	India	100%	-
Kotuma Wind Parks Private Limited	India	100%	-
Two Wind Energy Private Limited	India	100%	-
Azure Green Hydrogen Private Limited	India	100%	-

Information about associates :-

Name	Country of Incorporation /Principal place of business	% equity interest	
		March 31, 2022	March 31, 2021
Waaree Power Private Limited (refer note 4A)	India	26.00%	26.00%
Premier Energies International Private Limited (refer note 4A)***	India	26.00%	-

* During the earlier year application had been made to the Registrar of Companies (ROC) for striking off the names of these entities from the register of companies maintained by ROC, approval for the same has been received during the current year.

** During the current year the Company has disposed of investments in rooftop subsidiaries as part of share purchase agreement. (also see note 44)

*** During the current year ended March 31, 2022, the Company has entered into a non-binding obligation with M/s Premier Energies limited ("Premier/ Manufacturer"), a solar module manufacturing company, relating to execution of tender received from SECI. The Company has invested INR 940 lakhs to acquire 26% of the equity shares of an entity, where Premier have invested in 74% of equity shares. Subsequent to the year end, the Company has entered into related module supply agreements and share and debentures subscription agreements with Premier. The Company is entitled for return of 10% p.a. on investment made under the agreement. During the current year, the Company has recognised income of INR 20 lakhs (Nil during March 31, 2021) on the investment.

Includes shareholding held by nominee shareholders.



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40. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

(This space has been intentionally left blank)



41. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

(i) Revenue from Viability Gap Funding (VGF)

The Company records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognized as sale of power in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

(ii) Classification of leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 25.

(ii) Estimation of Defined Benefit Obligation

The cost of the defined benefit obligation and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 35.

(iii) Provision for decommissioning

The Company has recognised provisions for the future decommissioning of solar power plants set up on leased land at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the leased land and the expected timing of those costs. The carrying amount of the provision as at March 31, 2022 was INR 1,466 lakhs (March 31, 2021: INR 1,539 lakhs). The Company estimates that the costs would be settled upon the expiration of the lease and calculates the provision using the Discounted Cash Flow (DCF) method based on the following assumptions:

- ▶ Estimated range of cost per megawatt– INR 3.9 lakhs to 4.5 lakhs (March 31, 2021 - INR 3.9 lakhs to 4.5 lakhs)
- ▶ Discount rate – 8.5% (March 31, 2021: 6.9 % p.a.)
- ▶ Inflation rate – 8.0% (March 31, 2021: 6.9 % p.a.)



(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(v) Depreciation on property, plant and equipment

Depreciation on property plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment. The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, company is depreciating the assets based on life as determined by the management.

During the current year, the Company basis the technical assessment, have revised the useful live of solar power project assets i.e. plant and machinery (excluding inverter) and building from 25 years to 35 years. These changes have been considered as change on accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and have been accounting for prospectively with effect from April 01, 2021. (Refer note 3 and 21)

The effect of these changes on actual and expected depreciation expense is as follows:

	Increase/ (Decrease)
Financial year 2021-22	(4,673)
Financial year 2022-23	(4,632)
Financial year 2023-24	(4,619)
Later	13,924

(vi) Impairment of non-financial assets

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vii) Key assumption about the likelihood and magnitude of an outflow of resources in case of Income Tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(viii) Provision for expected credit losses of trade receivables and contract assets

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations.

(ix) Recognition and measurement of provision and contingencies

The company recognises provision if it is probable that an outflow of cash and other economic resources will be required to settle the provision. If outflow is not probable, then item is treated as contingent liability. Risk and uncertainties are taken into account in measuring provision.

42. The Company is in process of conducting a transfer pricing study as required by the transfer pricing regulations under the income tax act ('regulations') to determine whether the transactions entered during the year ended March 31, 2022 with associated enterprises were undertaken at arms length price. The Management confirms that all the transactions with associate enterprises are undertaken at arm length prices and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.



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43. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance *
Current ratio	Current Assets	Current Liabilities	3.26	0.85	285%	Primarily due to increase in current assets as compared to previous year.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.52	0.83	(38%)	Primarily due to issue of new equity shares and increase in security premium reserve.
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	(0.02)	(0.08)	(74%)	Primarily due to issue of new equity shares during the year and decrease in losses in current year as compared to previous year.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	-	-	-	Not Applicable
Trade Receivable Turnover Ratio	Gross credit sales - sales return	Average Trade Receivable	0.44	0.51	(14%)	Not Applicable
Trade Payable Turnover Ratio	Other expense	Average Trade Payables	2.50	1.32	89%	Primarily due to increase in expenses in current year as compared to previous year
Net Capital Turnover Ratio	Revenue from operation	Average working capital	0.36	(1.49)	(124%)	Primarily due to increase in average current assets in current year as compared to previous year.
Net Profit ratio	Net Profit	Revenue from operation	(0.36)	(1.05)	(66%)	Primarily due to decrease in losses in current year as compared to previous year.
Return on Capital Employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	3.25%	(0.54%)	(698%)	Primarily due to increase in operating profit and capital employed as compared to previous year.
Debt Service Coverage ratio	Net profit after taxes + Non-cash operating expenses	Interest & Lease Payments + Principal Repayments	0.11	0.51	(79%)	Primarily due to increase in repayment in current year.
Return on Investment	Interest (Finance Income)	Investment	0.03	-	100%	Primarily due to increase in income and investment in current year.

* The Company has further explained the reason for variances in ratios, where change is more than 25% as compared to previous year.



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44. Restatement for the year ended March 31, 2021 and as at April 01, 2020

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of financial statements', the Company has retrospectively restated its balance sheet as at March 31, 2021 and April 01, 2020 (beginning of the preceding period) and Statement of Profit and Loss for the year ended March 31, 2021 for the reasons as stated in the notes below. Reconciliation of items which are retrospectively restated in the Balance Sheet and Statement of Profit and Loss are as under:

(f) Reconciliation of restated items of Balance Sheet as at March 31, 2021 and April 01, 2020

	Notes	As at March 31, 2021			As at April 01, 2020		
		As previously reported (reclassified)	Adjustments	Restated Balance	As previously reported (reclassified)	Adjustments	Restated Balance
Assets							
Non-current assets							
Property, plant and equipment		1,52,220	-	1,52,220	1,61,241	-	1,61,241
Right-of-use assets		4,555	-	4,555	8,020	-	8,020
Capital work-in-progress		518	-	518	875	-	875
Intangible assets		250	-	250	543	-	543
Financial assets							
- Investments		3,07,065	-	3,07,065	3,25,434	-	3,25,434
- Trade receivables		38,354	-	38,354	38,888	-	38,888
- Loans	(g)	60,705	(1,427)	59,278	9,098	-	9,098
- Other financial assets	(b)	37,677	(618)	37,059	22,338	-	22,338
Deferred tax assets (net)	(d)	5,598	(336)	5,262	-	1,331	1,331
Income tax assets (net)	(d)	2,559	(34)	2,525	2,993	(34)	2,959
Other non-current assets		1,918	-	1,918	3,349	-	3,349
Total non-current assets		6,11,419	(2,415)	6,09,004	5,72,779	1,297	5,74,076
Current assets							
Financial assets							
- Investments		5,067	-	5,067	-	-	-
- Trade receivables	(a)	12,537	579	13,116	15,586	-	15,586
- Cash and cash equivalents		17,038	-	17,038	24,929	-	24,929
- Other bank balances		5,596	-	5,596	11,295	-	11,295
- Loans		14,075	(7,312)	6,763	16,358	-	16,358
- Other current financial assets		1,022	7,312	8,334	587	-	587
Other current assets		3,840	-	3,840	5,385	-	5,385
Total current assets		59,175	579	59,754	74,140	-	74,140
Total assets		6,70,594	(1,836)	6,68,758	6,46,919	1,297	6,48,216
Equity and liabilities							
Equity							
Equity share capital		455	-	455	455	-	455
Other equity	(e), (g)	3,46,435	(805)	3,45,630	3,70,580	3,996	3,74,576
Total equity		3,46,890	(805)	3,46,085	3,71,035	3,996	3,75,031
Non-current liabilities							
Financial liabilities							
- Borrowings		2,33,255	-	2,33,255	1,62,780	-	1,62,780
- Lease liabilities		3,129	-	3,129	6,693	-	6,693
- Other financial liabilities		14,025	-	14,025	2,005	-	2,005
Provisions		1,760	-	1,760	1,632	-	1,632
Deferred tax liabilities (net)	(d)	-	-	-	2,699	(2,699)	-
Total non current liabilities		2,52,169	-	2,52,169	1,75,809	(2,699)	1,73,110
Current liabilities							
Financial liabilities							
- Borrowings		54,518	-	54,518	53,355	-	53,355
- Lease liabilities		373	-	373	204	-	204
- Trade payables		-	-	-	-	-	-
Total outstanding dues of micro enterprises and small enterprises		591	-	591	73	-	73
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,589	-	2,589	5,146	-	5,146
- Other financial liabilities		5,772	-	5,772	40,799	-	40,799
Provisions		231	-	231	140	-	140
Other current liabilities	(c)	7,461	(1,031)	6,430	358	-	358
Total current liabilities		71,535	(1,031)	70,504	1,00,075	-	1,00,075
Total liabilities		3,23,704	(1,031)	3,22,673	2,75,884	(2,699)	2,73,185
Total equity and liabilities		6,70,594	(1,836)	6,68,758	6,46,919	1,297	6,48,216



(ii) Reconciliation of restated items of Statement of Profit and Loss for the year ended March 31, 2021

		For the year ended March 31, 2021		
		As previously reported (reclassified)	Adjustments	Restated Balance
Revenue				
Revenue from operations	(a)	37,369	579	37,948
Other income	(c)	2,043	1,031	3,074
Finance income	(b)	11,879	(618)	11,261
Total revenue		51,291	992	52,283
Expenses				
Construction, sub contracting and other site expenses		758	-	758
Employee benefits expense		17,744	-	17,744
Depreciation and amortisation expense		10,801	-	10,801
Finance costs		28,913	-	28,913
Other expenses	(g)	24,974	1,427	26,401
Total expenses		83,190	1,427	84,617
Loss before tax		(31,899)	(435)	(32,334)
Tax expense:				
Deferred tax credit	(d)	(7,969)	4,366	(3,603)
Total tax expense		(7,969)	4,366	(3,603)
Loss after tax		(23,930)	(4,801)	(28,731)
Other comprehensive income				
Items that will reclassified to profit or loss				
Net movement on cash flow hedge reserve		(905)	-	(905)
Income tax effect on cash flow hedge reserve		316	-	316
Items that will not be reclassified to profit or loss				
Income tax effect on re-measurement losses on defined benefit plans		(35)	-	(35)
Income tax effect on defined benefit plans		12	-	12
Total other comprehensive expense		(612)	-	(612)
Total comprehensive expense		(24,542)	(4,801)	(29,343)

(iii) Reconciliation of Statement of cash flows for the year ended March 31, 2021

	For the year ended March 31, 2021		
	As previously reported (reclassified)	Adjustments	Restated Balance
Net cash flow from operating activities	26,785	-	26,785
Net cash used in investing activities	(76,342)	-	(76,342)
Net cash flow in financing activities	41,666	-	41,666
Net decrease in cash and cash equivalents	(7,891)	-	(7,891)
Cash and cash equivalents at the beginning of the year	24,929	-	24,929
Cash and cash equivalents at the end of the year (refer note 7.2)	17,038	-	17,038

(iv) Earnings per share

Basic and diluted earnings per share for the year ended March 31, 2021

	For the year ended March 31, 2021		
	As previously reported (reclassified)	Adjustments	Restated Balance
(1) Basic earnings per share (in INR)	(525.77)	(105.48)	(631.25)
(2) Diluted earnings per share (in INR)	(525.77)	(105.48)	(631.25)

(iv) Notes on restatement

(a) Management fees

The Company has restated its revenue from operations for the year ended March 31, 2021 by INR 579 lakhs on account of management fee pertaining to previous year charged to the subsidiary companies in the current year.

(b) Interest income from loan to subsidiaries

The Company has restated its other income for the year ended March 31, 2021 by INR 618 lakhs on account of excess interest charged from subsidiaries during the previous year.

(c) Liabilities no longer required written back

The Company has written back deferred revenue amounting to INR 1,031 lakhs during the year ended March 31, 2021 as the same was no longer required.

(d) Tax expense

During the current year, the Company determined that the financial statements for the prior periods had differences in reported numbers as compared to Income Tax returns filed with the authorities. Accordingly, the Company has restated its financial statement during current year. The restatement has the following impact on the financial statements:

	April 1, 2020	FY 2020-21	March 31, 2021
Current tax expense	-	-	-
Income tax assets	(34)	-	(34)
Current tax liabilities	-	-	-
Other equity	(34)	-	(34)

	April 1, 2020	FY 2020-21	March 31, 2021
Deferred tax expense	-	4,366	-
Deferred tax assets	1,331	(1,667)	(336)
Deferred tax liabilities	(2,699)	2,699	-
Other equity	4,030	-	(336)

(e) Other equity

The above adjustments resulted in increase by INR 3,996 lakhs in retained earning as at April 01, 2020. Further, there is a decrease in loss for the year ended March 31, 2021 by INR 3,374 lakhs and corresponding increase in retained earning for the year ended March 31, 2021.



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Particulars	Note	April 1, 2020	March 31, 2021
Equity share capital		455	455
Other equity		3,70,580	3,46,435
Total Equity as per Reported Financial Statements		3,71,035	3,46,890
Management fees	(a)	-	579
Interest income from loan to subsidiaries	(b)	-	(618)
Provision for diminution in value of investments	(g)	-	(1,427)
Liabilities no longer required written back	(e)	-	1,031
Current tax expense	(d)	(34)	(34)
Deferred tax expense	(d)	4,030	(336)
Total Equity as per Restated Financial Statements		3,75,031	3,46,085

(f) Statement of cash flows

The Company has made certain reclassifications to the comparative period's statement of cash flows to enhance comparability with the current year's statement of cash flows.

(g) Provision for diminution in value of investments

The Company has provided for provision for diminution in value of investments on account of rooftop portfolio amounting to INR 1,427 lakhs during the year ended March 31, 2021 as the same was not provided earlier (Also refer note 46).



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45. Reclassification

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the balance sheet and statement of profit and loss, the details of which are as under:

i) Items of balance sheet before and after reclassification as at March 31, 2021:

Particulars	Amount before reclassification	Reclassification	Amount after reclassification
Assets			
Property, plant and equipment (refer note 1 below)	1,53,376	(1,156)	1,52,220
Right-of-use assets (refer note 1 & 2 below)	3,325	1,230	4,555
Other non-current assets (refer note 2 below)	1,989	(71)	1,918
Other current assets (refer note 2 below)	3,843	(3)	3,840
Non-current loans (refer note 3 & 6 below)	79,637	(18,932)	60,705
Other non-current financial assets (refer note 3 below)	37,528	149	37,677
Liabilities			
Trade payables (refer note 4 below)	3,872	(692)	3,180
Other current financial liabilities (refer note 4, 5, 6 & 7 below)	68,782	(63,010)	5,772
Current borrowings (refer note 5 below)	15,327	39,191	54,518
Other current liabilities (refer note 7 below)	1,733	5,728	7,461

1. The Company had earlier classified the amount of assets retirement obligation in property plant & equipment as at March 31, 2021 amounting to INR 1,156 lakhs. To align with the requirements of Para 24 of Ind As 116, the Company has reclassified the asset retirement costs from property plant and equipment and capital work-in-progress to Right of use assets.

2. The Company had earlier classified the amount of prepaid land use rights - current and non current in other current and non current assets as at March 31, 2021 amounting to INR 3 lakhs and INR 71 lakhs respectively To align with the requirements of Ind AS 116, the Company has reclassified the prepaid land use rights to Right of use assets.

3. In line with requirement of revised Schedule III Division II, the amount of security deposits which was earlier classified under Loans (Asset) amounting to INR 149 lakhs is now classified under Note 5.4- Other financial Assets.

4. The Company had classified the employee benefits payable in trade payables as at March 31, 2021 amounting to INR 692 lakhs. The company has reclassified the said amounts to align with disclosure requirement of Schedule III Division II to Companies Act 2013 and accordingly to Other current financial liabilities

5. In line with requirement of revised Schedule III Division II, the amount of current maturities of long term loan which was earlier classified under other current financial liabilities amounting to INR 39,191 lakhs is now classified under note 14.1- Current borrowing.

6. The company has adjusted the amount payable to subsidiary company of INR 18,783 lakhs against the loan given to subsidiary which was previously presented as non-current loans as at March 31, 2021.

7. In line with requirement of revised Schedule III Division II, the Company has reclassified advances from subsidiaries of INR 5,728 lakhs from other current financial liabilities to other current liabilities.

i) Items of balance sheet before and after reclassification as at March 31, 2020:

Particulars	Amount before reclassification	Reclassification	Amount after reclassification
Assets			
Property, plant and equipment (refer note 1 below)	1,62,511	(1,270)	1,61,241
Right-of-use assets (refer note 1 & 2 below)	6,634	1,386	8,020
Other non-current assets (refer note 2 below)	3,460	(111)	3,349
Other current assets (refer note 2 below)	5,390	(5)	5,385
Non-current loans (refer note 3 below)	9,385	(287)	9,098
Other non-current financial assets (refer note 3 below)	22,051	287	22,338
Liabilities			
Other current financial liabilities (refer note 4 below)	59,469	(18,670)	40,799
Current borrowings (refer note 4 below)	34,685	18,670	53,355

1. The Company had earlier classified the amount of assets retirement obligation in property plant & equipment as at March 31, 2020 amounting to INR 1,270 lakhs. To align with the requirements of Para 24 of Ind As 116, the Company has reclassified the asset retirement costs from property plant and equipment to Right of use assets.

2. The Company had earlier classified the amount of prepaid land use rights - current and non current in other current and non current assets as at March 31, 2021 amounting to INR 5 lakhs and INR 111 lakhs respectively. To align with the requirements of Ind AS 116, the Company has reclassified the prepaid land use rights to Right of use assets.

3. In line with requirement of revised Schedule III Division II, the amount of security deposits which was earlier classified under Loans (Asset) amounting to INR 287 lakhs is now classified under Note 5.4- Other financial Assets.

4. In line with requirement of revised Schedule III Division II, the amount of current maturities of long term loan which was earlier classified under other current financial liabilities amounting to INR 18,670 lakhs is now classified under note 14.1- Current borrowing.

ii) Items of statement of Profit and Loss before and after reclassification for the year ended March 31, 2021:

Particulars	Amount before reclassification	Reclassification	Amount after reclassification
Depreciation and amortisation expense (refer note below)	10,798	3	10,801
Other expenses (refer note below)	24,977	(3)	24,974

To align with the requirements of Ind AS 116, the Company has reclassified the amortisation of prepaid land use right amounting to INR 3 lakhs to depreciation and amortization expenses.



46. Impairment

During previous year ended March 31, 2021, Azure Power Global Limited (Ultimate holding Company) has identified certain subsidiaries on a going concern basis, which currently form part of our Rooftop business. Out of this identified portfolio, during the current year, the Company and Azure Power Rooftop Pvt. Ltd (APRPL), being the Subsidiaries of the Holding Company have entered into a contract with Radiance Renewables Pvt. Ltd. ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") with an operating capacity of 153 MW, for INR 5,350 million, subject to certain purchase price adjustments (the "Rooftop Sale Agreement"). Pursuant to the Rooftop Sale Agreement, Radiance will acquire 100% of the equity ownership of the Rooftop Subsidiaries owned by the Company and APRPL, respectively

Further, as per the terms of the Rooftop Sale Agreement in respect of the 33.2 MWs capacity which are operated through certain subsidiaries of Holding Company, referred as entities of the Restricted Group (which had issued Senior Notes/Green Bonds during previous years), 48.6% of the equity ownership have been transferred to Radiance during the year, and pursuant to the terms of these Green Bonds, the remaining 51.4% can only be transferred post refinancing of Green Bonds. Further during the current year, Company has transferred 100% shareholding relating to 9.5 MW rooftop project forming part of Restricted Group post refinancing of bonds during the year and 5.32 MW of entities forming the part of disposal group.

There are restrictions on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership have been transferred to Radiance on closing date, and the remaining 51% will be transferred on or after March 31, 2024.

The Company has determined that the decision to sell the Rooftop Subsidiaries and the subsequent execution of the Rooftop Sale Agreement are indicators of impairment and therefore the Company has undertaken an impairment assessment for the Rooftop Subsidiaries as at reporting date. The Company has recognised the impairment loss on accounts of diminution of value of investments of INR 152 lakhs (after considering revised purchase consideration other than 3rd party loan of INR 19,420 lakhs for AZI group subject to certain purchase price adjustments) and INR 18,388 lakhs during the year ended as at March 31, 2022 and March 31, 2021, respectively based on fair value assigned to investments and related changes and accordingly carried a provision for diminution in the value of investments of INR 6,995 lakhs (March 31, 2021 INR 19,815 lakhs) against these investments at reporting date. Further the investment in these subsidiaries, which are expected to be sold within next 12 months have been classified as Current investments and are carried at its fair value. Subsequent to year end, Company has transferred 100% ownership in 2.5 MW rooftop project post receipt of consideration from radiance. During the current year Company has written off inter Company balances of INR 1,019 lakhs (March 31, 2021 Nil) pursuant to sales purchase agreement entered into with Radiance.

47. Standards notified but not yet effective

The Ministry of Corporate Affairs ,vide notification dated March 23 2022, has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards with effect from April 01, 2022. Below is a summary of such amendments which are applicable:

- a) Ind AS 16 – Property, Plant and equipment: The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.
- b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets: The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Company does not expect the amendment to have any significant impact in its financial statements.
- c) Ind AS 109 – Annual Improvements to Ind AS (2021): The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.
- d) Ind AS 106 – Annual Improvements to Ind AS (2021): The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

48. Subsequent Event

On April 26, 2022, we announced that the Board had accepted the resignations of our previous CEO & Managing Director, Mr. Ranjit Gupta, and COO, Mr. Murali Subramanian. Mr. Harsh Shah joined the Company as CEO on July 1, 2022 but subsequently resigned on August 29, 2022. Thereafter, Mr. Rupesh Agarwal became Acting CEO of the Company on Mr. Shah's resignation. In November 2022, Mr. R. Narasimhan Iyer joined as Chief Operating Officer of the Company. On April 30, 2023, Mr. Sugata Sircar resigned from his position as non-executive Independent Director and member of the Company's Audit & Risk Committee and Capital Committee and on May 1, 2023, joined as Group CFO and Executive Director, Finance of the Company. Further, on July 10, 2023, Mr. Sunil Gupta joined the Company as Chief Executive Officer and Managing Director of the Company.



Azure Power India Private Limited
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(All amount in INR lakhs, unless otherwise stated)

49. Additional regulatory information required by Schedule III

There are some disclosures which are notified, but not applicable to company.

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except as specified below:

Description of the charges not satisfied	Reason for delay in satisfaction
Charge in the name of CATALYST TRUSTEESHIP LIMITED	Management is in the process to register satisfaction of charges with ROC
Charge in the name of SBICAP TRUSTEE COMPANY LIMITED	Management is in the process to register satisfaction of charges with ROC
Charge in the name of Azure Power Solar Energy Private Limited	Management is in the process to register satisfaction of charges with ROC
Charge in the name of DCB BANK LIMITED	Management is in the process to register satisfaction of charges with ROC
Charge in the name of INDUSIND BANK LTD	Management is in the process to register satisfaction of charges with ROC
Charge in the name of YES BANK LIMITED	Management is in the process to register satisfaction of charges with ROC

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company have not advanced or loaned or invested either from borrowed fund or share premium or any other source and kind of funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) The Company has not been declared as a wilful defaulter by any bank, financial institution, government, any other government authority or any other lender.

(viii) The Company has used its specific borrowings for the specific purpose for which they were taken.

(ix) There are no immovable properties for which the title deeds are not held in the name of the Company.

(x) The company has complied with the number of layers prescribed under clause 87 of section 2 of the Act read with companies (restriction on number of layers) rule, 2017.

(xi) The company has not entered into any scheme or arrangement, which has an accounting impact on current and previous year.

50. Relationship with Struck off Companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

Name of the Struck Off Company	Nature of transactions with struck off company	Relationship with the struck off company, if any	Balance Outstanding as at March 31, 2022	Balance Outstanding as at March 31, 2021
Trifin Technologies Private Limited	Payables	NA	-	7



51. Whistleblower complaint

During the year and subsequent to the year end, the Group received whistle-blower complaints on various matters, including lapses in internal control for certain key areas, governance and vendor management. The Board of Directors of the ultimate holding company engaged external counsel to undertake investigations on the allegations thereof. None of those allegations pertain to the Company and therefore no adjustment was required to be made in the books on account. However, some of the Group companies have made certain adjustments in the books of account as a prudent measure. Further, in one of the ongoing investigation ("Special Committee") in relation to material projects of the Group, the Special Committee have identified evidence that certain former executives were involved in an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. Further, the counsels have identified some evidence that certain former board members of the ultimate holding company might have knowledge of and/or involved in the said apparent scheme. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings could impact our decision-making in connection with such projects. The Group has disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and the Group continues to cooperate with those agencies. The current members of the Board of Directors of the ultimate holding Company have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation. The Company remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations. We will continue to monitor and assess our internal processes to ensure compliance with all relevant laws and regulations.

52. As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of the financial year, i.e. September 30, 2022. Considering the investigations mentioned above, the Company has not been able to hold the AGM till date. Consequently, given that the Company has not held the AGM by September 30, 2022 which was further extended by 3 months to December 31, 2022 based on the extension obtained from Registrar of Companies ("ROC"), the Company is now required to apply for compounding of the Offence and liable to pay penalties as may be imposed by ROC. Management is unable to ascertain the amount of penalties for the Offence and hence no accruals for the same has been taken in these financial statements.

53. The Company has a secured loan from banks and financial institutions with a carrying amount (net of unamortised balance of ancillary cost of borrowing) of INR 1,93,514 lakhs at March 31, 2022 (March 31, 2021: INR 1,91,258 lakhs). These loans contained a covenant stating that the Company is required to submit its annual audited financial statements within 180 days from the end of the year end and in case of breach of the said condition the loan will be repayable on demand. Due to various ongoing factors, the Company has not been able to meet the said condition with regard to submission of audited financial statements within the stipulated time period. However, management obtained waivers from the lenders, which extends the time period for submission of audited financial statements for the year ended March 31, 2022 till December 31, 2023. Accordingly, the loan is not payable on demand at March 31, 2022 and accordingly, the management has continued to classified the said loans as non-current as per the original repayment schedule.



Azure Power India Private Limited
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54. Pursuant to the manufacturing linked tender of 4,000 MW, the Group has executed Power Purchase Agreements (“PPAs”) for a capacity of 2,333 MW with SECI, for which Power Sale Agreement (“PSA”) has been executed with state of Andhra Pradesh during the year ended March 31, 2022. Two Public Interest Litigations (“PILs”) have been filed before the hon’ble High Court of Andhra Pradesh in the year ended March 31, 2022 against the Ministry of Power, Ministry of New and Renewable Energy (MNRE), SECI, Government of Andhra Pradesh, etc. seeking among others (i) quashing of Request for Selection dated June 25, 2019 (“RfS”) issued by SECI pursuant to which Azure was awarded the manufacturing linked project for 4,000 MW capacity, (ii) setting aside of the Letter of Award issued by SECI to Azure pursuant to the RfS, (iii) setting aside of Andhra Pradesh Electricity Regulatory Commission’s order (“APERC Order”) approving procurement of 7 GWs from SECI under the RfS (which includes capacity of 2,333 MW for which PPAs have been executed by us) and (iv) setting aside Central Electricity Regulatory Commission’s (“CERC”) order dated April 02, 2022 whereby tariff discovered under the RfS was adopted. Further, CERC has also passed an order dated April 02, 2022, adopting tariffs under the PPAs subject to the outcome of the PIL mentioned above. The PILs currently are pending adjudication. In the event the PILs are allowed, the same may result in cancellation of the Letter of Award and PPAs awarded to/ executed by Azure pursuant to the RfS. Currently, we cannot predict the outcome of these two PILs.

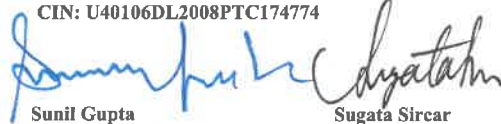
Given uncertainties, the Group is constrained to terminate the PPAs and has filed a petition at the Andhra Pradesh High Court seeking among others, a declaration that Azure should be discharged from performance of the obligations under the power purchase agreements for a capacity of 2,333 MW as tied with state of Andhra Pradesh on account of regulatory uncertainties due to absence of unconditional tariff adoption order from the regulatory commission. Since there was a threat of invocation of Bank Guarantee to the tune of INR 11,665 lakhs, the Hon’ble High Court vide its order dated October 16, 2023, directed SECI not to take coercive steps against the Group till the next date of hearing. The matter is next listed for hearing in February, 2024. Considering the current status of the matter and basis management assessment, the Group believe that PPAs executed for 2,333 MWs with SECI may get a declaration of termination from the AP High court. Accordingly, the Company has recognized provision of INR 2,660 lakhs towards the recoverable balances/loans/investments of the respective subsidiaries (net of the payable balances) in the financial statement for the year ended March 31, 2022.

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Piyush Maheshwari
Partner
Membership No: 516964
Place: Gurugram
Date: December 30, 2023

For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774



Sunil Gupta
Managing Director
DIN: 07095152
Place: Singapore
Date: December 30, 2023

Sugata Sircar
Director
DIN: 01119161
Place: NEW DELHI
Date: December 30, 2023



Kapi Sharma
Company Secretary
Place: New Delhi
Date: December 30, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of AZURE POWER INDIA PRIVATE LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Azure Power India Private Limited (hereinafter referred to as the "the Company" or "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and associates, except for the effects of the matters described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associates, as at March 31, 2022, consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

The matters in Paragraph 1 below should be read along with Note 51 to the accompanying consolidated financial statements which describes more fully certain key events that took place during the year.

1.

During the year and subsequent to the year end, the Company, parent company, and some subsidiaries (collectively referred to as the 'Parent Group'), have received various complaints via the Group's common whistleblower mechanism. In response, the Board of Directors and Audit and Risk Committee of the parent company appointed external legal counsels to conduct investigations into the significant issues highlighted by the complaints. These issues include, but are not limited to, lapses in key control areas, governance issues, and problems with vendor management. Specifically, the whistleblower complaints allege misconducts such as obtaining invalid commissioning certificates through the submission of falsified information to regulatory bodies in one project and the concealment and misrepresentation of facts by former senior management to the Board of Directors of the parent company.

A special committee was constituted by the Board of Directors of the parent company ('the Special Committee'), to review certain material projects and contracts for anti-corruption and related compliance issues. Independent external counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that certain former senior management of the parent company may have been involved and certain former directors of the parent company may have had the knowledge of an apparent scheme with persons outside the Company to make improper payments in relation to certain projects. The Special Committee's investigation is not yet complete. The current Board of Directors of the parent company has represented to us that none of them were aware of such apparent scheme. As informed by the management, no adjustments would be necessary in the consolidated financial statements of the Group for



the financial year ended March 31, 2022. Refer to Annexure 1 for the representation. In view of pending investigation, we are unable to comment whether the outcome of the investigation will result in possible adjustments and/or disclosures to the consolidated financial statements, and the status of compliance with the applicable laws and regulations.

In a complaint directly related to the subsidiary (Azure Power Maple Private Limited), the investigators observed that a commissioning certificate was prematurely accorded to the subsidiary Company by the Central Electricity Authority ("CEA") basis submission of false information by certain employees of the Group. This resulted in a significant overstatement of the plant's generating capacity. Furthermore, the investigation revealed the involvement of a vendor in suspected improper payments amounting to INR 50 lakhs. These amounts have been adjusted against vendor payables in the Group's books of accounts, while further other adjustments were made in the Property Plant and Equipment including Capital Work in Progress in the financial statements to reflect the factual picture as at the year end. While the investigation reports could not directly evidence any improper payment being made to any government official, owing to the fact that Solar Energy Corporation of India ("SECI") reported shortfall in power generation and the fact that project could not be timely commissioned to its desired capacity, the Group may be liable for damages and penalties for such shortfall including non-fulfilment of commercial arrangements with SECI and consequences of subsequent low power generation. Impact, if any, on the consolidated financial statements of the Group is currently unascertainable. Also refer note 51 of the accompanying consolidated financial statements

In a complaint directly related to some of the subsidiaries, the external counsels have identified instances of irregularities in the process of selecting, approving scope of work, making payments to land aggregators for acquisition of land and land use rights through improper payments, and suspected involvement of the Group employees and the former senior management. The said acts may not be in compliance with the relevant applicable laws and regulations in India and the United States. Further, based on a review exercise of significant projects with respect to land aggregator costs, the companies has written off INR 2,528 lakhs in its books of accounts.

In a complaint directly related to some of the subsidiaries, the external counsels have identified potential misrepresentation made by former executives of those Companies to the Board of Directors of the Parent Company about the structure and other important terms of the deal proposed. Though the external counsels identified no evidence of improper payments made by those companies or its employees, however, it may have led to lapses in key control areas and governance issues within those companies.

The Group functions within a shared control environment, and there are identified design deficiencies noted in some of the key controls in significant areas. Refer to our 'adverse report' on Internal Control and Financial Report provided in Annexure B as referred to in para 2(g) of the report. These deficiencies constitute material weaknesses. These weaknesses could have impacted the external legal counsel's capacity to ascertain the completeness of the information provided.

The issues highlighted above may lead to contractual, civil, and criminal consequences under both Indian and U.S. law, potentially affecting both the Group including the Company. The impact, if any, on the consolidated financial statements is currently not ascertainable.

2. Refer Note 54 to the accompanying consolidated financial statements, which describes the matters relating to non-compliances with certain provisions of the Companies Act, 2013 ("the Act") with respect to the adoption of the annual audited consolidated financial statements for the year ended March 31, 2022 before the shareholders in the Annual General Meeting within the stipulated time as prescribed under Section 96 of the Act. Hence, the Company



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has also not complied with the provisions of Section 137 of the Act relating to the filing of consolidated financial statements with the Registrar of Companies (“ROC”) and with Section 92 relating to the filing of annual returns. The consequential impact of the said non-compliance, including the liability for penal charges, if any, on the consolidated financial statements, including the consequential impact under other applicable laws and regulations is presently not ascertainable.

3. Refer Note 2.2(k) to the accompanying consolidated financial statements, which describes the current accounting policy of the Viability Gap Funding. The Group has not accounted for Viability Gap Funding received under the government scheme in accordance with the requirements of Ind AS 20 - Government Grants and Ind AS 109 - Financial Instruments. Had the Group appropriately accounted for the Viability Gap Funding, the deferred revenue would have been lower by Rs. 2,524 lakhs, Government Grant Receivable would have been lower by Rs. 207 lakhs, and Retained Earnings would have been higher by Rs. 2,317 lakhs as at March 31, 2021, before taxes. Consequently, the current year's revenue would have been higher by Rs. 1,249 lakhs, interest income would have been higher by Rs. 133 Lakhs and profit before tax would have been higher by Rs. 1382 Lakhs. Further, the deferred revenue would have been lower by Rs. 3,773 lakhs and Government Grant Receivable would have been lower by Rs. 75 lakhs as at March 31, 2022.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountant of India (“ICAI”) and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the “Other Matters” section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Refer Note 46 to the accompanying consolidated financial statements regarding the restatements carried out by the Company, in accordance with the requirements of Ind AS 8 - “Accounting Policies, Changes in Accounting Estimates and Errors” on account of retrospective adjustments pertaining to the matters as described in detail in the aforesaid note.
- b) Refer Note 59 to the accompanying consolidated financial statements which describes one of the covenants of the indentures for submission of Consolidated Annual Financial Statements by the Parent Company to the Securities Exchange Commission (‘SEC’) within the stipulated time. On October 31, 2023, the New York Stock Exchange (‘NYSE’) filed Form-25 notification of removal from listing with the SEC. The Group believes that the delisting would not have any impact on the above mentioned terms of the indentures, as the Parent Company would continue to be a registrant with the SEC and accordingly, there would not be any breach of any covenants.

Our opinion is not modified in respect of these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to do note with this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of Rs. 29,269 lakhs as at March 31, 2022, total revenues of Rs. 2,214 lakhs and net cash outflows amounting to Rs. 46 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. NIL for the year ended March 31, 2022, as considered in the consolidated financial statements,



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in respect of 2 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

- b. We did not audit the financial statements of 14 subsidiaries, whose financial information reflect total assets of Rs.15,262 lakhs as at March 31, 2022, total revenues of Rs. 864 lakhs and net cash flows amounting to Rs. 201 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.
- c. The Consolidated Financial statements include the Financial Statements of Azure Solar Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 956 Lakhs. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Solar Private Limited have been prepared on a going concern basis. (Refer note 55(i) to the consolidated financial statements).
- d. The Consolidated Financial statements include the Financial Statements of Azure Power (Rajasthan) Private Limited, which states that the Subsidiary Company has negative net worth of INR 480 Lakhs as at March 31, 2022 and Subsidiary Company's current liability exceeds its current assets by INR 47 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power (Rajasthan) Private Limited have been prepared on a going concern basis. (Refer note 55(ii) to the consolidated financial statements).
- e. The Consolidated Financial statements include the Financial Statements of Azure Urja Private Limited (Subsidiary), which states that the Subsidiary Company's current liability exceeds its current assets by INR 424 Lakhs. This condition indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Urja Private Limited have been prepared on a going concern basis. (Refer note 55(iii) to the consolidated financial statements).
- f. The Consolidated Financial statements include the Financial Statements of Azure Power (Karnataka) Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 385 Lakhs. This condition indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of



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Azure Power (Karnataka) Private Limited have been prepared on a going concern basis. (Refer note 55(iv) to the consolidated financial statements).

- g. The Consolidated Financial statements include the Financial Statements of Azure Power Sunrise Private Limited, which states that the Subsidiary Company has incurred a loss of INR 469 lakhs during the year and has accumulated losses of INR 683 Lakhs as of March 31, 2022, which has substantially eroded the net worth of the Subsidiary Company. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Sunrise Private Limited have been prepared on a going concern basis. (Refer note 55(v) to the consolidated financial statements).
- h. The Consolidated Financial statements include the Financial Statements of Azure Power Sunshine Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 573 Lakhs. This condition indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Sunshine Private Limited have been prepared on a going concern basis. (Refer note 55(vi) to the consolidated financial statements).
- i. The Consolidated Financial statements include the Financial Statements of Azure Power Jupiter Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 4,947 Lakhs. This condition indicates that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Jupiter Private Limited have been prepared on a going concern basis. (Refer note 55(vii) to the consolidated financial statements).
- j. The Consolidated Financial statements include the Financial Statements of Azure Power Fifty Three Private Limited, which states that the Subsidiary Company has incurred a loss of INR 565 Lakhs during the year and has accumulated losses of INR 566 Lakhs as of March 31, 2022, and current liability exceeds its current assets by INR 555 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Fifty Three Private Limited have been prepared on a going concern basis. (Refer note 55(xiii) to the consolidated financial statements).
- k. The Consolidated Financial statements include the Financial Statements of Azure Power Fifty Four Private Limited, which states that the Subsidiary Company has incurred a loss of INR 522 Lakhs during the year and has accumulated losses of INR 522 Lakhs as of March 31, 2022, and current liability exceeds its current assets by INR 521 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Fifty Four Private Limited have been prepared on a going concern basis. (Refer note 55(xiv) to the consolidated financial statements).



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- l. The Consolidated Financial statements include the Financial Statements of Azure Power Fifty Six Private Limited, which states that the Subsidiary Company has incurred a loss of INR 1 Lakhs during the year and has accumulated losses of INR 2 Lakhs as of March 31, 2022 and current liability exceeds its current assets by INR 95 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Fifty Six Private Limited have been prepared on a going concern basis. (Refer note 55(xv) to the consolidated financial statements).
- m. The Consolidated Financial statements include the Financial Statements of Azure Power Fifty Seven Private Limited, which states that the Subsidiary Company has incurred a loss of INR 1 Lakh during the year and has accumulated losses of INR 2 Lakhs as of March 31, 2022, and current liabilities exceeds its current assets by INR 201 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Fifty Seven Private Limited have been prepared on a going concern basis. (Refer note 55(xvi) to the consolidated financial statements).
- n. The Consolidated Financial statements include the Financial Statements of Azure power Fifty Eight Private Limited, which States that the Subsidiary Company has incurred a loss of INR 1 Lakh during the year and has accumulated losses of INR 2 Lakhs as of March 31, 2022, and current liability exceeds its current assets by INR 289 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Fifty Eight Private Limited have been prepared on a going concern basis. (Refer note 55(xvii) to the consolidated financial statements).
- o. The Consolidated Financial statements include the Financial Statements of Azure Power Fifty Nine Private Limited, which states that the Subsidiary Company has incurred a loss of INR 551 Lakhs during the year and has accumulated losses of INR 551 Lakhs as of March 31, 2022, and current liability exceeds it's current assets by INR 550 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Fifty Nine Private Limited have been prepared on a going concern basis. (Refer note 55(xviii) to the consolidated financial statements).
- p. The Consolidated Financial statements include the Financial Statements of Azure Power Sixty Private Limited, which states that the Subsidiary Company has incurred a loss of INR 521 Lakhs during the period and has accumulated losses of INR 522 Lakhs as Of March 31, 2022, and current liability exceeds it's current assets by INR 520 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Sixty Private Limited have been prepared on a going concern basis. (Refer note 55(xix) to the consolidated financial statements).
- q. The Consolidated Financial statements include the Financial Statements of Azure Power Sixty One Private Limited, which states that the Subsidiary Company has incurred a loss of INR 1 Lakh during the year and has accumulated losses of INR 1 Lakh as of March 31, 2022 and



current liability exceeds its current assets by INR 472 which has substantially eroded the net worth of the Subsidiary Company. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Sixty One Private Limited have been prepared on a going concern basis. (Refer note 55(xx) to the consolidated financial statements).

- r. The Consolidated Financial statements include the Financial Statements of Azure Power Sixty Two Private Limited, which states that the Subsidiary Company has incurred a loss of INR 505 Lakhs during the year and has accumulated losses of INR 505 Lakhs as of March 31, 2022, and current liability exceeds its current assets by INR 504 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Power Sixty Two Private Limited have been prepared on a going concern basis. (Refer note 55(xxi) to the consolidated financial statements).
- s. The Consolidated Financial statements include the Financial Statements of Kotuma Winds Park Private Limited, which states that the Subsidiary Company has incurred a loss of INR 1 Lakh during the year and has accumulated losses of INR 1 Lakh as of March 31, 2022 and current liability exceeds its current assets by INR 1,744 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Kotuma Winds Park Private Limited have been prepared on a going concern basis. (Refer note 55(xxii) to the consolidated financial statements).
- t. The Consolidated Financial statements include the Financial Statements of Azure Clean Energy Private Limited, which states that the Subsidiary Company's current liability exceeds its current assets by INR 494 Lakhs. This condition indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary Company's ability to continue as a going concern. However, the Holding Company has provided financial letter of support to the Subsidiary Company to enable the Subsidiary Company to meet its liabilities and financial obligations for at least 12 months. Accordingly, the financial statements of Azure Clean Energy Private Limited have been prepared on a going concern basis. (Refer note 55(xxiii) to the consolidated financial statements).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a. Except for the possible effect of the matters described in the Basis for Qualified Opinion above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. Except for the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. In our opinion, the matters described in the Basis for Qualified Opinion paragraph above, the Material Uncertainty related to Going Concern section of our report above and the Adverse Opinion on adequacy of internal financial controls in Annexure B of our report, may have an adverse effect on the functioning of the Group.
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer Note 35(b) to the financial statements;
 2. The Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.
 - 4.
 - a. The respective Managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India, as disclosed in the Note 49(iii), whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associates to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- b. The respective Managements of the Holding Company and its subsidiaries and associates, as disclosed in Note 49(iv), which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors’ notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
5. The Company has neither declared nor paid any dividend during the year.
2. In our opinion, according to information, explanations given to us, the provisions of section 197 of the Act and the rules thereunder are not applicable to the Group and its associates as it is a private Company.
3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries, associates in the Companies (Auditor’s Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Holding /Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1	Azure Power India Private Limited	U40106DL2008PTC174774	Holding	i(a), i(b), iii(c), iii(d), vii(b), xi(a), xi(c), xiv(a), xvii
2	Azure Power (Punjab) Private Limited	U40106DL2009PTC290476	Subsidiary	vii(b), xi(a), xi(c), xiv(a)
3	Azure Power (Haryana) Private Limited	U40108DL2009PTC291351	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)
4	Azure Solar Private Limited	U40106DL2010PTC209414	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)



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5	Azure (Rajasthan) Private Limited	Power Private	U40101DL2010PTC204588	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)
6	Azure Urja Private Limited	Private	U40300DL2010PTC209420	Subsidiary	vii(b), xi(a), xi(c), xiv(a)
7	Azure Surya Private Limited	Private	U40300DL2010PTC209423	Subsidiary	i(b), i(c), vii(b), xi(a), xi(c), xiv(a)
8	Azure (Karnataka) Private Limited	Power Private	U40107DL2010PTC29103	Subsidiary	i(c), vii(b), xi(a), xi(c), xiv(a),
9	Azure Photovoltaic Private Limited	Private	U40300DL2010PTC209803	Subsidiary	i(b), i(c) xi(a), xi(c), xiv(a),
10	Azure Infrastructure Private Limited	Power Private	U40102DL2010PTC208927	Subsidiary	vii(b), xi(a), xi(c), xiv(a)
11	Azure Power Private Limited	(Raj)	U40106DL2010PTC207053	Subsidiary	i(c), vii(b), xi(a), xi(c), xiv(a)
12	Azure Green Tech Private Limited	Tech	U40106DL2012PTC237073	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)
13	Azure Clean Energy Private Limited	Energy	U40105DL2012PTC236882	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)
14	Azure Sunrise Private Limited	Private	U40106DL2012PTC236103	Subsidiary	i(b), i(c), xi(a), xi(c), xiv(a)
15	Azure Sunshine Private Limited	Private	U40106DL2012PTC237070	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)
16	Azure Power Private Limited	Earth	U40300DL2014PTC273940	Subsidiary	xi(a), xi(c), xiv(a)
17	Azure Power Private Limited	Eris	U40300DL2014PTC273917	Subsidiary	i(b), i(c), vii(b), xi(a), xi(c), xiv(a)
18	Azure Power Private Limited	Jupiter	U40104DL2015PTC274952	Subsidiary	i(b), xi(a), xi(c), xiv(a)
19	Azure Makemake Private Limited	Power Private	U40106DL2015PTC274954	Subsidiary	i(b), i(c), xi(a), xi(c), xiv(a)
20	Azure Power Private Limited	Mars	U40300DL2014PTC273939	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)
21	Azure Power Private Limited	Pluto	U40300DL2014PTC273942	Subsidiary	i(b), vii(b), xi(a), xi(c), xiv(a)
22	Azure Power Private Limited	Uranus	U40108DL2015PTC275032	Subsidiary	xi(a), xi(c), xiv(a)
23	Azure Power Private Limited	Venus	U40106DL2015PTC275034	Subsidiary	xi(a), xi(c), xiv(a)



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24	Azure Power Thirty Three Private limited	U40300DL2016PTC298811	Subsidiary	i(b), i(c), xi(a), xi(b), xi(c), xiv(a)
25	Azure Power Thirty Four Private limited	U40106DL2016PTC300663	Subsidiary	i(b), xi(a), xi(c), xiv(a)
26	Azure Power Thirty Six Private limited	U40108DL2016PTC299126	Subsidiary	xi(a), xi(c), xiv(a)
27	Azure Power Thirty Seven Private limited	U40300DL2016PTC299122	Subsidiary	vii(b), xi(a), xi(c), xiv(a)
28	Azure Power Thirty Nine Private limited	U40101DL2016PTC301060	Subsidiary	xi(a), xi(c), xiv(a), xvii
29	Azure Power Forty Private limited	U40107DL2016PTC302018	Subsidiary	i(a), i(b), i(c), xi(a), xi(c), xiv(a)
30	Azure Power Forty One Private limited	U40300DL2016PTC301090	Subsidiary	i(a), i(b), i(c), xi(a), xi(c), xiv(a), xvii
31	Azure Power Forty Three Private limited	U40100DL2017PTC310862	Subsidiary	i(a), i(b), xi(a), xi(c), xiv(a)
32	Azure Power Maple Private Limited	U40106DL2017PTC324594	Subsidiary	i(a), i(b), xi(a), xi(b), xi(c), xiv(a), xvii
33	Azure Power Fifty One Pvt Limited	U40106DL2019PTC359448	Subsidiary	xi(a), xi(b), xi(c), xiv(a), xvii
34	Azure Power Fifty two Pvt Limited	U40100DL2020PTC360279	Subsidiary	xi(a), xi(b), xi(c), xiv(a), xvii
35	Azure Power Thirty Eight Pvt Limited	U40300DL2016PTC301837	Subsidiary	xvii
36	Azure Power Forty Four Pvt Limited	U40300DL2017PTC311196	Subsidiary	xvii
37	Azure Power Mercury Pvt Limited	U40100DL2014PTC273986	Subsidiary	xvii

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Piyush Maheshwari
Partner
Membership No. 516964
UDIN: 24516964BKFJCP1925



Place: Gurugram
Date: January 12, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AZURE POWER INDIA PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Piyush Maheshwari
Partner
Membership No.516964
UDIN: 24516964BKFJCP1925



Place: Gurugram
Date: January 12, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AZURE POWER INDIA PRIVATE LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Azure Power India Private Limited on the Consolidated Financial Statements for the year ended March 31, 2022]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Adverse Opinion

We have audited the internal financial controls with reference to the consolidated financial statements of Azure Power India Private Limited (hereinafter referred to as the "the Company" or "Holding Company"), and subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates which are companies incorporated in India as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

The Group works on a common control environment accordingly, the controls have been designed to operate at a group level irrespective of whether certain controls in respect of particular process may not be applicable during the year for a particular subsidiary.

In our opinion, because of the possible effects of the material weaknesses described below in the Basis for Adverse Opinion section of our report on the achievement of the objectives of the control criteria, the Group has not maintained adequate internal financial controls with reference to financial statements and such internal financial controls were not operating effectively as of March 31, 2022, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2022:

- a) In Note 51 of the Company's financial statements, and paragraph 1 of the Basis for Qualified Opinion in our audit report regarding various whistleblower issues, the findings of independent investigators engaged by the Company highlight potential damages resulting from possible fraud, corrupt acts or other misconduct of the past employees, including some former senior executives of the Company. These findings indicate the material weakness in the Group's internal financial controls with reference to the financial statements.
- b) Material weaknesses were noted in the Group's financial reporting and closing process. These weaknesses have necessitated restatements to account for adjustments in income tax provisions for prior years and intercompany transactions. Additionally, the deficiency in the financial reporting and closing process has led to significant delays in the completion of these financial statements. There is a risk that such delays may result in non-compliance with certain provisions



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of the Companies Act, 2013, and other relevant legislations, potentially incurring various fines and penalties.

- c) In the course of our audit, we observed deficiencies in the Group's processes related to the approval of manual journal entries and management's oversight of estimates and the accrual of expenses, as well as in the monitoring of purchase order systems for the necessary disclosure of commitments. The absence of clearly defined review controls and specified key thresholds raises concerns about the potential for material misstatements in the financial statement disclosures. These deficiencies could affect the reliability and accuracy of the reported financial position and financial performance of the Group.
- d) During our audit, we identified deficiencies in the Group's internal control systems related to land procurement processes. There were material weakness in selection and approval mechanism for land aggregators and safeguarding of land ownership documents. Additionally, we noted lapses in the oversight of project construction status and controls over the documents needed for issuance of project commissioning certificates. These material weaknesses could result in improper capitalization of Property, Plant & Equipment ("PPE") and Capital Work-in-progress, which could lead to material misstatements in the Group's financial statements and disclosures.
- e) The Group did not have an appropriate internal control system for the periodic reconciliation of vendor balances.
- f) The Group did not have appropriate controls over Project financing with respect to covenant compliances.
- g) The Group did not have adequate controls over the preparation and review of periodic bank reconciliations, as well as the procedures for opening and closing of the Group's bank accounts. Additionally, the fund management policies and the processes for vendor advance payments are not sufficiently robust. Deficiencies were also found in the review and approval processes for interest calculation on term loans, and the review and approval of treasury schedules and loans. These control deficiencies could potentially result in material misstatements in the financial records and disclosures.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported in point no (a) and (d) above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2022, and these material weaknesses have affected our opinion on the consolidated financial statements of the Company and we have issued a qualified opinion on the financial statements with respect to these matters.

We have considered the material weaknesses identified and reported in point no (b), (c), (e), (f) and (g) above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2022, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company with respect to these matters.



Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries companies, its associate company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries companies, its associate company, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries companies, its associate company, which are incorporated in India.

Meaning of Internal Financial Controls With reference to Consolidated Financial Statements

A Holding Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations



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of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Piyush Maheshwari
Partner
Membership No. 516964
UDIN: 24516964BKFJCP1925



Place: Gurugram
Date: January 12, 2024

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AZURE POWER INDIA PRIVATE LIMITED

Azure Power Global Limited

Certified Extract of the Minutes of the Board Meeting of Azure Power Global Limited (the "Company") held on 06 November 2023 at 05:00 p.m. (Mauritius Time).

"...4. Note of Representation for Auditors

It was noted that a Special Committee of the Board of Directors (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee's investigation has identified evidence that individuals formerly affiliated with the Company may have had knowledge of, or were involved in, an apparent scheme with persons outside the Company to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Group. The Special Committee's investigation was still ongoing. The Special Committee's review and its findings could impact the decision-making of the Company, in connection with such projects. The Company has disclosed the details of the Special Committee's investigation to the SEC and the U.S. Department of Justice, and the Group continues to cooperate with those agencies.

In this context, the directors currently on the Board of the Company and its subsidiary company, Azure Power India Private Limited, have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation.

Further, after due deliberation, it was concluded by the ARC that no adjustments would be necessary in the financial statements of the Company for FY 2022 as approved by the Board..."

CERTIFIED TRUE EXTRACT



Eric Ng Tim On
For and on behalf of
AAA Global Services Ltd
Company Secretary

Date: 09 November 2023

C/o AAA Global Services Ltd
4th Floor, Iconebene, Rue de L'Institut, Ebene, 80817, Mauritius.
Tel : 4543200 Fax : 4543202



Azure Power India Private Limited
Consolidated Balance Sheet as at March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2021*	As at April 1, 2020*
Assets				
Non-current assets				
Property, plant and equipment	3	11,77,386	8,99,803	8,21,546
Right-of-use assets	34	50,170	45,684	49,994
Capital work-in-progress	3	1,62,554	1,02,462	31,260
Intangible assets	4	38	250	543
Non-current investments in equity accounted investees	4A	937	-	-
Financial assets				
- Trade receivables	5.1	32,150	-	-
- Loans	5.2	284	251	223
- Other financial assets	5.3	58,755	48,100	60,444
Deferred tax assets (net)	17	35,340	31,378	28,343
Income tax assets (net)	6	6,523	5,977	5,369
Other non-current assets	7	12,108	9,569	11,091
Total non-current assets		15,36,245	11,43,474	10,08,813
Current assets				
Financial assets				
- Trade receivables	8.1	58,347	48,831	46,367
- Cash and cash equivalents	8.2	1,03,821	67,246	69,870
- Other bank balances	8.3	53,650	41,348	20,555
- Loans	8.4	9,172	5,808	4,101
- Other current financial assets	8.5	5,948	14,332	7,588
Other current assets	9	11,115	6,927	9,111
Assets classified as held for sale	45	1,234	5,516	-
Total current assets		2,43,287	1,90,008	1,57,592
Total assets		17,79,532	13,33,482	11,66,405
Equity and liabilities				
Equity				
Equity share capital	10	686	455	455
Other equity	11	3,59,472	1,85,792	2,28,453
Equity attributable to equity holders of the parent		3,60,158	1,86,247	2,28,908
Non-controlling interest	11	3,225	1,484	1,880
Total equity		3,63,383	1,87,731	2,30,788
Non-current liabilities				
Financial liabilities				
- Borrowings	12.1	10,83,115	8,41,030	7,71,736
- Lease liabilities	34	32,063	29,742	33,689
- Other financial liabilities	12.2	42	13,531	2,005
Provisions	13.1	9,895	7,827	6,993
Deferred tax liabilities (net)	17	3,002	438	762
Other non-current liabilities	14	55,647	24,608	22,374
Total non-current liabilities		11,83,764	9,17,176	8,37,559
Current liabilities				
Financial liabilities				
- Borrowings	15.1	1,53,306	1,36,012	32,929
- Lease liabilities	34	2,999	2,708	2,560
- Trade payables				
Total outstanding dues of micro enterprises and small enterprises	15.2	366	1,096	114
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	11,846	6,681	9,302
- Other financial liabilities	15.3	55,253	73,917	49,759
Current tax liabilities (net)		2,089	1,906	439
Provisions	13.2	567	475	356
Other current liabilities	16	5,265	2,628	2,599
Liabilities directly associated with assets classified as held for sale	45	694	3,152	-
Total current liabilities		2,32,385	2,28,575	98,058
Total liabilities		14,16,149	11,45,751	9,35,617
Total equity and liabilities		17,79,532	13,33,482	11,66,405

* Refer note 46 and 47 for restatement and reclassification respectively

See accompanying notes to the financial statements

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The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm registration number: 105047W

Piyush Maheshwari
Piyush Maheshwari
Partner
Membership No: 516964
Place: Gurugram
Date: 12/1/24



For and on behalf of the board of directors of
Azure Power India Private Limited
LIN: U40106DL2008PTC174774

Sunil Gupta
Sunil Gupta
Managing Director
DIN: 07095152
Place: GURUGRAM
Date: 12/01/24

Sugata Sircar
Sugata Sircar
Director
DIN: 01119161
Place: GURUGRAM
Date: 12/01/24



Kapil Sharma
Kapil Sharma
Company Secretary
Place: GURUGRAM
Date: 12/01/24

Azure Power India Private Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021*
Revenue			
Revenue from operations	18	1,80,833	1,49,277
Finance income	19	7,068	4,945
Other income	20	14,775	2,685
Total Income		2,02,676	1,56,907
Expenses			
Employee benefits expense	22	6,595	19,153
Depreciation and amortization expense	23	33,439	57,794
Impairment (reversal)/ loss	21	(626)	8,992
Finance cost	24	1,12,935	96,666
Other expenses	25	47,574	18,287
Total expenses		1,99,917	2,00,892
Profit/ (Loss) before tax		2,759	(43,985)
Tax expense:			
Current tax	17	4,275	2,078
Income tax adjustment pertaining to earlier year	17	(17)	(25)
Deferred tax credit	17	(1,992)	(3,555)
Total tax expense/(benefit)		2,266	(1,502)
Profit/ (Loss) after tax		493	(42,483)
Other comprehensive income/ (expense)			
Items that will be reclassified to profit or loss			
Net movement on cash flow hedge reserve		1,737	(1,446)
Income tax effect on cash flow hedge reserve		(598)	462
Foreign currency translation reserve		2	(9)
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		17	(35)
Income tax effect on re-measurement gains/ (losses) on defined benefit plans		(4)	12
Total other comprehensive income/(expense)		1,154	(1,016)
Total comprehensive income/ (expense)		1,647	(43,499)
Attributable to:			
Equity holders of the parent		1,495	(43,103)
Non-controlling interest		152	(396)
Earnings per equity share: [Nominal value of share : INR 10 (March 31, 2021 : INR 10)]			
(1) Basic earnings per share (INR)	26	10.14	(933.40)
(2) Diluted earnings per share (INR)	26	10.14	(933.40)

* Refer note 46 and 47 for restatement and reclassification respectively

The accompanying notes are an integral part of the consolidated financial statements.

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As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm registration number: 105047W

Piyush
Piyush Maheshwari
Partner
Membership No: 516964
Place: Gurugram
Date: 12/01/24



For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774

Sunil Gupta
Sunil Gupta
Managing Director
DIN: 07095152
Place: GURUGRAM
Date: 12/01/24

Sugata Sircar
Sugata Sircar
Director
DIN: 01119161
Place: GURUGRAM
Date: 12/01/24



Kapil
Kapil Sharma
Company Secretary
Place: GURUGRAM
Date: 12/01/24

Azure Power India Private Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021*
A Cash flows from operating activities		
Profit/ (Loss) before tax	2,759	(43,985)
Adjustment for :		
Depreciation and amortization expense	33,439	57,794
Impairment loss/(reversal)	(626)	8,992
Foreign exchange fluctuation (net)	1,292	15
Provision for expected credit losses	-	2,870
Bad debts written off	108	77
Share-based payment expense/(reversal)	(2,807)	13,583
Loss on sale of property, plant and equipment	2,161	233
Premium on option cost amortized	-	42
Viability gap funding income	-	(1,057)
Government grant income	(167)	(81)
Deferred revenue	232	298
Contract assets (refer note 30)	(65)	(57)
Interest income	(7,068)	(4,616)
Miscellaneous income	-	(65)
Liabilities no longer required written back	(8,007)	(1,345)
Net gain on lease modification	-	(413)
Finance cost	1,12,935	96,666
Operating profit before working capital changes	1,34,186	1,28,951
Movements in working capital:		
(Increase) in other current financial assets	3,277	(11)
(Increase) in trade receivables	(41,134)	(5,575)
(Increase)/decrease in other current assets	(4,918)	1,558
Increase in trade payables	12,638	1,267
(Increase) in loans	(1,333)	(2,389)
(Increase) in non current financial assets	(6,422)	-
(Increase) in other non current assets	(2,105)	(948)
Increase in other current and non current liabilities	33,619	2,504
Increase/(decrease) in other current and non current financial liabilities	(347)	(67)
Increase in current provisions	97	121
Increase in non current provisions	120	211
Cash generated from operations	1,27,678	1,25,622
Income tax paid (net of refunds)	(4,628)	(1,298)
Net cash flow from operating activities	1,23,048	1,24,324
B Cash flows from investing activities		
Net purchases of property, plant and equipment (including capital work in progress, capital advance and capital creditors)	(3,85,359)	(1,91,649)
Purchase of intangible assets	(39)	(78)
Interest received	8,717	3,949
Purchase of investments	(937)	-
Loans to fellow subsidiary companies (refer note 27)	(2,064)	(5,247)
Proceeds from disposal of subsidiaries	5,304	-
Loans repaid by fellow subsidiary companies (refer note 27)	-	2,066
Net investment in bank deposits (having the original maturity of more than three	(15,963)	(10,996)
Net cash used in investing activities	(3,90,340)	(2,01,955)
C Cash flows from financing activities		
Net proceeds from issue of equity shares (including securities premium)	1,73,077	-
Payments for hedging arrangements	(2,450)	635
Proceeds from External commercial borrowings/ Non-Convertible Debentures	1,97,667	-
Repayment of External commercial borrowings/Non Convertible Debentures	(2,13,276)	(14,994)
Proceeds from non current borrowings	7,26,148	1,65,747
Repayments of non current borrowings*	(3,98,129)	(56,624)
Proceeds from current borrowings	70,359	89,355
Repayment of current borrowings	(78,132)	(9,809)
(Repayments) / Proceeds from loans from fellow subsidiary companies (refer note 27)	(45,519)	(5)
Payment of lease rent	(5,685)	(3,304)
Prepayment charges on repayment of loan	-	(2,569)
Finance cost paid	(1,20,063)	(93,329)
Net cash flow from financing activities	3,03,996	75,103
Net increase/(decrease) in cash and cash equivalents	36,704	(2,528)
Net increase/(decrease) in cash and cash equivalents	36,704	(2,528)
Cash and cash equivalents at the beginning of the year	67,342	69,870
Cash and cash equivalents at the end of the year	1,04,046	67,342
Components of cash and cash equivalents		
Balances with schedule banks:		
- In current accounts (refer note 8.2)	65,195	11,266
- Deposits with original maturity of less than 3 months (refer note 8.2)	38,626	55,980
Cash and cash equivalents classified as held for sale (refer note 45)	225	96
Total cash and cash equivalents	1,04,046	67,342

* Refer note 46 and 47 for restatement and reclassification respectively



Azure Power India Private Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2022
 (All amounts in INR lakhs, unless otherwise stated)

Change in liabilities arising from financing activities

Particulars	Opening balance as at April 01, 2021	Cash flow (net)	Change in foreign exchange rate	Other changes	Closing balance as at March 31, 2022
Non current borrowings**	8,87,610	3,12,409	5,166	(50,423)	11,54,762
Current borrowings	89,432	(53,292)	-	45,519	81,659
Lease liabilities	32,450	(5,685)	-	8,297	35,062
Total liabilities from financing activities	10,09,492	2,53,432	5,166	3,393	12,71,483

Particulars	Opening balance as at April 01, 2020	Cash flow (net)	Change in foreign exchange rate	Other changes	Closing balance as at March 31, 2021
Non current borrowings**	7,94,762	94,129	(1,988)	707	8,87,610
Current borrowings	9,903	79,541	-	(12)	89,432
Lease liabilities	36,249	(3,304)	-	(495)	32,450
Total liabilities from financing activities	8,40,914	1,70,366	(1,988)	200	10,09,492

**Including adjustments of ancillary borrowing cost and current portion of non current borrowings

Notes:

1 The Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) on "Statement of Cash Flows" referred to Section 133 of Companies Act 2013.

The accompanying notes are an integral part of the consolidated financial statements.

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As per our report of even date

For M S K A & Associates
 Chartered Accountants
 Firm registration number: 105047W

Piyush

Piyush Maheshwari
 Partner
 Membership No: 516964
 Place: Gurugram
 Date: 12/1/24



For and on behalf of the board of directors of
Azure Power India Private Limited
 CIN: U40106DL2008PTC174774

Sunil Gupta

Sunil Gupta
 Managing Director
 DIN: 07095152
 Place: GURUGRAM
 Date: 12/01/24

Sugata Sircar

Sugata Sircar
 Director
 DIN: 01119161
 Place: GURUGRAM
 Date: 12/01/24



Kapil Sharma

Kapil Sharma
 Company Secretary
 Place: GURUGRAM
 Date: 12/01/24

Azure Power India Private Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2022
 (All amounts in INR lakhs, unless otherwise stated)

(a) Equity share capital

For the year ended March 31, 2022

Equity shares of INR 10 each issued, subscribed and fully paid

	Number of shares	Share capital
At April 01, 2021	455,143	455
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at April 01, 2021	455,143	455
Changes in equity share capital during the current year	23,07,536	231
At March 31, 2022	68,54,979	686

For the year ended March 31, 2021

Equity shares of INR 10 each issued, subscribed and fully paid

At April 01, 2020	36,60,739	366
Changes in equity share capital due to prior period errors	8,90,704	89
Restated Balance as at April 01, 2020	45,51,443	455
Changes in equity share capital during the current year	-	-
At March 31, 2021	45,51,443	455

(b) Other equity

For the year ended March 31, 2022:

Particulars	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Surplus/ (Deficit) in the statement of profit and loss (Note 11.2)	Reserves and surplus			Items of other comprehensive income				Total equity
			Securities premium (Note 11.3)**	Other reserve (Note 11.4)	Defined benefit plans (Note 11.5)	Cash flow hedge reserve (Note 11.6)	Foreign currency translation reserve (FCTR) (Note 11.7)	(Non-controlling interests)		
At April 1, 2021 (As Previously Reported)	2,605	(1,45,122)	3,33,736	403	-	(2,012)	29	-	1,484	1,91,055
Adjustment relating to prior period errors*	-	(3,779)	-	-	-	-	-	-	-	(3,779)
Restated balance as at April 1, 2021	2,605	(1,48,901)	3,33,736	403	-	(2,012)	29	-	1,484	1,87,276
(Loss) / profit for the year	-	341	-	-	-	-	-	-	152	493
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income/ (Loss)	2,605	(1,48,560)	3,33,736	403	13	1,139	2	-	-	1,154
Securities premium on account of issue of equity shares during the year (net of share issue expenses)	-	-	1,72,846	-	(55)	(873)	31	-	-	1,88,223
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	928	-	-	-	-	-	-	-	-	1,72,846
Transactions with non-controlling interest	-	(1,589)	-	-	-	-	-	-	-	928
At March 31, 2022	3,533	(1,50,149)	5,06,582	403	551	(873)	31	-	1,589	3,62,097

For the year ended March 31, 2021:

Particulars	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Surplus/ (Deficit) in the statement of profit and loss (Note 11.2)	Reserves and surplus			Items of other comprehensive income				Total equity
			Securities premium (Note 11.3)**	Other reserve (Note 11.4)	Defined benefit plans (Note 11.5)	Cash flow hedge reserve (Note 11.6)	Foreign currency translation reserve (FCTR) (Note 11.7)	(Non-controlling interests)		
At April 1, 2020 (As Previously Reported)	2,163	(1,09,641)	3,33,736	403	-	(1,028)	38	-	1,880	2,27,506
Adjustment relating to prior period errors*	-	2,827	-	-	-	-	-	-	-	2,827
Restated balance as at April 1, 2020	2,163	(1,06,814)	3,33,736	403	-	(1,028)	38	-	1,880	2,30,333
Loss for the year	-	(42,087)	-	-	-	-	-	-	(396)	(42,483)
Other comprehensive (loss)	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income/ (loss)	2,163	(1,48,901)	3,33,736	403	(23)	(984)	(9)	-	-	(1,016)
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	442	-	-	-	(68)	(2,012)	29	-	-	1,86,834
At March 31, 2021	2,605	(1,48,901)	3,33,736	403	(68)	(2,012)	29	-	1,484	1,87,276

* Refer note 46 and 47 for restatement and reclassification respectively

**The amount is net of share issue expenses.

The accompanying notes are an integral part of the consolidated financial statements.

2.2 - 60

As per our report of even date

For M S K A & Associates
 Chartered Accountants
 Firm registration number: 105047W

[Signature]
 Piyush Malleshwar
 Partner
 Membership No: 516964
 Place: Gurgaon
 Date: 12/01/24



For and on behalf of the board of directors of
 Azure Power India Private Limited
 CIN: U40106DL2008PT174774

[Signature]
 Sunil Gupta
 Managing Director
 DIN: 0705152
 Place: GURUGRAM
 Date: 12/01/24

[Signature]
 Suresh Arora
 Director
 DIN: 0119161
 Place: GURUGRAM
 Date: 12/01/24

[Signature]
 Kajal Sharma
 Company Secretary
 Place: GURUGRAM
 Date: 12/01/24



Azure Power India Private Limited
Notes to financial statements for the year ended March 31, 2022
(INR amount in lakhs, unless otherwise stated)

1. Corporate information

Azure Power India Private Limited (“the Company”) is domiciled in India. The Company was incorporated under the provisions of the Companies Act applicable in India. The Company is a subsidiary of Azure Power Global Limited (“APGL” or “Ultimate holding Company”). These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the ‘Group’) and the Group’s interest in associates. The registered office of the Group is located at 4th Floor, Southern Park, D-II, Saket Place, Saket, New Delhi 110017.

The Group’s primary business includes generation of solar energy and developing and managing infrastructure for solar power. The group pledges its plant to obtain long term loans. As per the legal view obtained by the Group, the company and its subsidiaries are regulated under the Electricity Act, 2003. The projects of Group, which have commenced operations before March 31, 2017, are eligible for section 80-IA benefits under the Income Tax Act, 1961.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto and other relevant provisions of the Companies Act, 2013.

The consolidated financial statements were authorised for issue by the Group’s Board of Directors on January 12, 2024.

The Ind AS consolidated financial statements have been prepared on the accrual and going concern basis and the historical cost convention, except for the following assets and liabilities which have been measured at fair value or revalued amount;

- Derivative financial instruments
- Liabilities for cash-settled share-based payment arrangements
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

Accounting policies have been consistently applied to all the years presented unless otherwise stated.

Principles of Consolidation

In the preparation of Consolidated financial statements, investments in subsidiaries have been accounted in accordance for in accordance with the accounting principles as defined in the Ind AS 110 “Consolidated financial statements” notified under section 133 of Companies Act 2013, read together with Companies (Indian Accounting Standards) Rules, 2015. The Consolidated Financial statements are prepared on the following basis:

- i. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income, and expenses after eliminating all significant intra-group balances and intra-group transaction and also unrealized profits and losses.
- ii. The Consolidated Financial statements are prepared using uniform accounting policies for like transactions other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s separate financial statements. The financial statements of the subsidiary are adjusted for the accounting principles followed by the Group.



Azure Power India Private Limited

Notes to financial statements for the year ended March 31, 2022

(INR amount in lakhs, unless otherwise stated)

- iii. The difference between the cost to the Group of its investments in the subsidiaries and its proportionate share in the equity of the investee Company at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital reserve, as the case may be. Goodwill is tested for impairment by management on annual basis.
- iv. Non-controlling interest in the net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding Company.
- v. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e., year ended March 31, 2022.

Nature of interest in consolidated entities: Subsidiaries

Name	Country of Incorporation /Principal place of business	Percentage of equity interest	
		March 31, 2022	March 31, 2021
Azure Power (Punjab) Private Limited	India	100%	100%
Azure Power (Haryana) Private Limited	India	99.17%	99.17%
Azure Solar Private Limited	India	100%	100%
Azure Power (Rajasthan) Private Limited	India	100%	100%
Azure Solar Solutions Private Limited	India	0%	100%
Azure Sun Energy Private Limited	India	100%	100%
Azure Urja Private Limited	India	100%	100%
Azure Surya Private Limited	India	100%	100%
Azure Power (Karnataka) Private Limited	India	100%	100%
Azure Photovoltaic Private Limited	India	100%	100%
Azure Power Infrastructure Private Limited	India	100%	100%
Azure Power (Raj.) Private Limited	India	100%	100%
Azure Green Tech Private Limited	India	100%	100%
Azure Renewable Energy Private Limited	India	0%	100%
Azure Clean Energy Private Limited	India	100%	100%
Azure Sunrise Private Limited	India	100%	100%
Azure Sunlight Private Limited	India	0%	100%
Azure Sunshine Private Limited	India	100%	100%
Azure Power Earth Private Limited	India	100%	100%
Azure Power Eris Private Limited	India	100%	100%
Azure Power Jupiter Private Limited	India	51.01%	51.01%
Azure Power Makemake Private Limited	India	100%	100%
Azure Power Mars Private Limited	India	100%	100%
Azure Power Mercury Private Limited	India	51.4%	100%
Azure Power Pluto Private Limited	India	100%	100%
Azure Power Uranus Private Limited	India	100%	100%
Azure Power Venus Private Limited	India	100%	100%
Azure Power Saturn Private Limited	India	51.4%	100%
Azure Power Thirty Three Private Limited	India	100%	100%
Azure Power Thirty Four Private Limited	India	100%	100%
Azure Power Thirty Five Private Limited	India	100%	100%
Azure Power Thirty Six Private Limited	India	100%	100%
Azure Power Thirty Seven Private Limited	India	100%	100%
Azure Power Thirty Eight Private Limited	India	51%	100%



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Name	Country of Incorporation /Principal place of business	Percentage of equity interest	
		March 31, 2022	March 31, 2021
Azure Power Thirty Nine Private Limited	India	100%	100%
Azure Power Forty Private Limited	India	100%	100%
Azure Power Forty One Private Limited	India	100%	100%
Azure Power Forty Two Private Limited	India	100%	100%
Azure Power Forty Three Private Limited	India	100%	100%
Azure Power Forty Four Private Limited	India	51.4%	100%
Azure Power Forty Five Private Limited	India	-	100%
Azure Power Forty Six Private Limited	India	-	100%
Azure Power Forty Seven Private Limited	India	-	100%
Azure Power Forty Eight Private Limited	India	-	100%
Azure Power Forty Nine Private Limited	India	-	100%
Azure Power Fifty Private Limited	India	-	100%
Azure Power Fifty One Private Limited	India	100%	100%
Azure Power Fifty Two Private Limited	India	100%	100%
Azure Power Fifty Three Private Limited	India	100%	100%
Azure Power Fifty Four Private Limited	India	100%	100%
Azure Power Green Private Limited	India	-	100%
Azure Power Maple Private Limited	India	100%	100%
Azure Power Fifty Six Private Limited	India	100%	100%
Azure Power Fifty Seven Private Limited	India	100%	100%
Azure Power Fifty Eight Private Limited	India	100%	100%
Azure Power Fifty Nine Private Limited	India	100%	-
Azure Power Sixty Private Limited	India	100%	-
Azure Power Sixty One Private Limited	India	100%	-
Azure Power Sixty Two Private Limited	India	100%	-
Kotuma Wind Parks Private Limited	India	100%	-
Two Wind Energy Private Limited	India	100%	-
Azure Green Hydrogen Private Limited	India	100%	-
Azure Power Sixty Three Private Limited	India	100%	-
Azure Power US Inc.	United States of America	100%	100%
Azure Power Sixty Four Private Limited	India	100%	-

Equity accounted investees: Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds voting rights in the range of 20% to 50%. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Such investments are accounted using equity method. Also see Note 4A “Non-current investments in equity accounted investees ” forming part of Notes to Consolidated Financial Statements.

2.2 Summary of significant accounting policies

a) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the



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management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization/settlement in cash and cash equivalents. The Group have identified twelve months as their operating cycle for classification of their current assets and liabilities.

c) Property, plant and equipment

Capital work-in-progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the derecognized. The Group considers the cost of the replacement



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as the cost of the replaced part, when it was acquired or constructed, in case it is not practicable to determine the separate cost of the component of asset. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Capital work in progress ("CWIP")

Capital work-in-progress includes cost of property, plant and equipment that are not ready for use at the balance sheet date.

e) Depreciation

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, Group is depreciating the assets based on technical assessment made by technical expert and management estimate.

Depreciation on property plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment.

The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in following cases are different from lives prescribed under Schedule II of the Companies Act, 2013 based upon the nature of asset, the operating condition of the asset, the estimated usage of the asset, past history of replacement and anticipated technological changes.

Category	Life as per Schedule II	Life considered
Building	30 years	35 years
Furniture and fixtures	10 years	5 years
Vehicles	8/10 years	5 years
Office equipment	5 years	1-5 years

During the current year, basis the technical assessment, the Group has revised the useful lives of solar power project assets i.e., plant and machinery (excluding inverter) and building from 25 years to 35 years. These changes have been considered as change in accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and have been accounting for prospectively with effect from April 1, 2021.

The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

The assets' residual values and useful lives are reviewed at the end of each financial year or whenever there are indicators for impairment and adjusted prospectively.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any amortization and accumulated impairment losses. Internally generated intangibles,



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excluding capitalized development costs, are not capitalized and the related expenditure is reflected in statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible assets useful life is reviewed at the end of each financial year and adjusted prospectively.

g) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.



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The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 43 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 43 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.



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i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit and Loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The category applies to the Group's trade receivables, unbilled revenue, other bank balances, security deposits, etc.

Debt instrument at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals in the statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss.



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Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instrument included within FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Group's balance sheet) when:

- a) the contractual rights to receive cash flows from the asset have expired, or
- b) the Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the asset to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, trade receivables and bank balances;
- financial asset that are debt instruments and are measured as at FVTOCI;
- trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For recognition of impairment loss on the financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g. trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.



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The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial instruments is described below:

For financial assets measured at amortised cost: ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.



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The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdraft.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operation. Such changes are evident to external parties. A change in the business model occurs when the Group either or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediate next reporting



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period following the change in the business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognized in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, and interest rate swaps, to hedge its foreign currency risks, and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to statement



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of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- Hedges of a net investment in a foreign operation

In the normal course of business, the Group uses derivative instruments for mitigating the exposure from foreign currency fluctuation risks associated with forecasted transactions denominated in certain foreign currencies and to minimize cash flow volatility associated with changes in foreign currency exchange rates, and not for speculative trading purposes. These derivative contracts are purchased within the Group's policy and are with counterparties that are highly rated financial institutions.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group evaluates hedge effectiveness of cash flow hedges at the time a contract is entered into as well as on an ongoing basis. The ineffective portion of cash flow hedge is recorded as expense in statement of profit and loss. The cost of effective portion of cash flow hedges is expensed over the period of the hedge contract.

Undesignated contracts

Changes in fair value of undesignated derivative contracts are reported directly in statement of profit and loss along with the corresponding transaction gains and losses on the items being economically hedged. Realised gains (losses) and changes in the fair value of these foreign exchange derivative contracts are recorded in foreign exchange gains (losses), net in the statement of profit and loss. These derivatives are not held for speculative or trading purposes.

Cash flow hedges that meet the criteria for hedge accounting are accounted for, as described below

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The Group uses forward currency contracts and interest rate swaps as hedges of its exposure to foreign currency risk and interest volatility risk in forecast transactions and firm commitments.

Fair value hedge: hedging of foreign exchange exposure

Fair value hedge accounting is followed for foreign exchange risk with the objective to reduce the exposure to fluctuations in the fair value of firm commitments due to changes in foreign exchange rates.

Fair value adjustments related to non-financial instruments will be recognised in the hedged item upon recognition and will eventually affect statement of profit and loss as and when the hedged item is derecognised. Changes in the



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fair value of derivatives designated and qualifying as fair value hedges, together with any changes in the fair value of the hedged firm commitments attributable to the hedged risk, will be recorded in in the consolidated balance sheet. The gain or loss on the hedging derivative in a hedge of a foreign-currency-denominated firm commitment and the offsetting loss or gain on the hedged firm commitment is recognised in the statement of profit and loss in the accounting period, post the recognition of the hedged item in the balance sheet.

The Company does not have any net investment in a foreign operation.

j) Financial guarantees

Financial guarantees issued by the Parent Company on behalf of group companies are designated as 'Insurance Contracts'. The Parent Company assess at the end of each reporting period whether its recognised insurance liabilities (if any) are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in statement of profit and loss.

k) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the fair value of the consideration to which the Group expects to be entitled in exchange for those goods or services. Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Where Power Purchase Agreement or "PPA" include scheduled price changes, revenue is recognized at lower of the amount billed or by applying the average rate to the energy output estimated over the term of the PPA. The determination of the lesser amount is undertaken annually based on the cumulative amount that would have been recognized had each method been consistently applied from the beginning of the contract term. The Group estimates the total kilowatt hour units expected to be generated over the entire term of the PPA. The Group then uses the total estimated revenue and the total estimated kilo-watt hours to compute the average rate used to record revenue on the actual energy output supplied. The Group compares the actual energy output supplied to the estimate of the energy expected to be generated over the remaining term of PPA on a periodic basis, but at least annually. Based on this evaluation, the Group reassess the energy output estimated over the remaining term of the PPA and adjust the revenue recognized and deferred to date. The difference between actual billing and revenue recognized is recorded as deferred revenue. The difference between actual billing and revenue recognized is recorded as deferred revenue.

Sale of power

Revenue from sale of power is recognised when persuasive evidence of an arrangement exists, the fee is fixed or determinable, solar energy kilowatts are supplied and collectability is reasonably assured. Revenue is based on the solar energy kilowatts actually supplied to customers (including the solar energy kilowatts supplied and not billed on reporting date) multiplied by the rate per kilo-watt hour agreed to in the respective Power Purchase Agreements (PPAs). The solar energy kilowatts supplied by the Group are validated by the customer prior to billing and recognition of revenue.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Group considers the effects of variable consideration and consideration payable to the customer (if any).



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Revenue from the recovery of Safe-guard duties and Goods and Service Tax under the change in law provision are recognized over the PPA period based on terms agreed with customers or unless agreed otherwise once collectability is reasonably assured.

The revenue of Safeguard duties and Goods and Service Tax for the year is recognized by the Group in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement.

Income from carbon credit emission

Revenue from the sale of carbon credit emission is recognized at the time of transfer of credits to customers.

Viability Gap Funding (VGF)

The Group records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognised as sale of power in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

Contract assets

A contract asset is initially recognised for revenue earned for its right to consideration in exchange for goods or services transferred to the customer. If the Group perform by transferring goods or services to a customer before the customer pays consideration or before acceptance by the customer, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Trade receivables

A trade receivable represents the right of entities forming part of Group to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (k) Financial instruments – initial recognition and subsequent measurement

Income from services

Revenue from maintenance contracts are recognised as and when services are rendered.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When



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calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Revenue is recognized when the Group's right to receive payment is established by the balance sheet date. Dividends from subsidiaries are recognised even if same are declared after the balance sheet date if it pertains to period on or before the date of Balance Sheet as per the requirement of Schedule III of the Companies Act 2013.

Application of interpretation for Service Concession Arrangements (SCA)

The Management has assessed applicability of Appendix C of Indian Accounting Standards 115: Service Concession Arrangements for the power purchase agreement which the group has entered into. In assessing the applicability of SCA, the management has exercised significant judgement in relation to the underlying ownership of the assets, the attached risks and rewards of ownership, residual interest etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.

l) Government grants

Grants from the government are recognised at the fair value where there is a reasonable assurance that the grant will be received and the Group will comply all with all attached conditions.

Government grant relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income.

Government grant relating to purchase of property, plant and equipment are included in non- current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

m) Foreign currency transactions

Functional and Presentation Currency

The Group's consolidated financial statement are presented in Indian Rupees (INR), which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Group operates and is normally the currency in which the Company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.



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Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit and loss are also recognised in other comprehensive income or statement of profit and loss, respectively).

n) Retirement and other employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.



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Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

o) Income taxes

Tax expense represents the sum of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred Tax

Deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss:

- deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.



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In the situations where the entity is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entities forming part of the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the entities forming part of the Group.

p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. The Group's chief executive officer is the chief operating decision maker.

The group activities mainly involve sale of electricity. Considering the nature of the Group's business operations, there are no separate reportable operating segments in accordance with the requirements of Indian Accounting Standard 108, 'Operating Segments' referred in to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The Group's principal operations, revenue and decision-making functions are located in India and there are no revenue and non-current assets outside India.

q) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for share options of the parent Group (equity-settled transactions). Incremental fair value of the stock option granted relating to already vested options is recognised in the statement of profit and loss and the same has been treated as deemed contribution by parent.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expenses, except the cost of services which is initially capitalised by the Group as part of the cost of property, plant and equipment. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents



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the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

For share-based payment transactions among group entities, in its separate or individual financial statements, the entity receiving the goods or services measures the goods or services received as either an equity-settled or a cash-settled share-based payment transaction by assessing:

- (a) the nature of the awards granted, and
- (b) its own rights and obligations.

The entity receiving the goods or services measures the goods or services received as an equity-settled share-based payment transaction when:

- (a) the awards granted are its own equity instruments, or
- (b) the entity has no obligation to settle the share-based payment transaction.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to the payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the fair value of the liability are recognised in the statement of profit and loss, except the cost of services which is initially capitalized by the Group as part of the cost of property, plant and equipment.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during



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the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Decommissioning liability

Upon the expiration of the lease agreement for solar power plants located on leasehold land, the Group is required to remove the solar power plant. The Group records a provision for such decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of right of use asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from right of use asset. Once the asset has been fully depreciated and the asset has nil net carrying amount (gross carrying amount less accumulated depreciation) of zero in the statement of financial position, further changes in any related provision for decommissioning are recognised in profit or loss.

t) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset exceeds recoverable amount and the asset is written down to its recoverable amount.



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In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

u) Contingent assets/liabilities

Contingent assets are not recognised. However, when realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

w) Cash and cash equivalents

Cash and cash equivalents in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

x) Events occurring after the balance sheet date

Impact of events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective financial statements areas.



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y) Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost.

z) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

aa) Asset held-for-sale

Assets and asset disposal group are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when management commits to a plan to sell the asset; the asset is available for immediate sale in its present condition; an active program to locate a buyer and other actions required to complete the plan have been initiated; the sale of the asset is probable within one year; the asset is being actively marketed for sale at a reasonable price in relation to its current fair value; and it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets and liabilities classified as held-for-sale are measured at lower of their carrying amount and fair value less costs to sell and depreciation (amortization) ceases once the asset is classified as held for sale. See also, Note 45.

ab) Changes in accounting policy and disclosures – New and amended standards

i) Other amendments

A number of minor amendments to existing standards also became effective on April 01, 2021 and have been adopted by the Group. The adoption of these new accounting pronouncements did not have a significant impact on the accounting policies, method of computation or presentation applied by the Group.

ii) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are not expected to have a significant impact on the Group's financial statements. The Group has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective. Refer the note 48- "Standards notified but not yet effective" in Notes to Financial Statements.



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3. Property, plant and equipment

	Freehold land	Plant and machinery	Furniture and fixtures	Vehicles	Computers	Office equipment	Leasehold improvements	Road	Building	Total	Capital work in progress*
Gross block at cost											
At April 01, 2020	29,002	8,66,381	91	838	855	233	3,259	-	56,263	9,56,922	31,260
Additions	3,671	1,42,351	7	31	87	79	217	496	4,710	1,51,649	2,35,642
Transfer to assets	-	-	-	-	-	-	-	-	-	-	(1,44,061)
Disposals/ Adjustments	(42)	(8,803)	-	-	-	-	-	-	(233)	(9,078)	(19,800)
Assets classified as held for sale (refer note 45)	(804)	(4,533)	-	-	-	-	-	-	-	(5,337)	(143)
At March 31, 2021	31,827	9,95,396	98	869	942	312	3,476	496	60,740	10,94,156	1,02,898
Additions*	2,880	3,08,832	3	108	93	819	48	938	3,799	3,17,520	3,79,346
Transfer to assets	-	-	-	-	-	-	-	-	-	-	(3,10,376)
Disposals/ Adjustments	(1,805)	(2,957)	-	-	-	-	-	-	(89)	(4,851)	(6,216)
Impairment loss (refer note 52)	-	-	-	-	-	-	-	-	-	-	(2,662)
Assets classified as held for sale (refer note 45)	-	(4,472)	-	-	(44)	-	-	-	(379)	(4,895)	-
At March 31, 2022	32,902	12,96,799	101	977	991	1,131	3,524	1,434	64,071	14,01,930	1,62,990
Accumulated Depreciation and Impairment											
At April 01, 2020	-	1,26,989	57	267	515	143	1,434	-	5,971	1,35,376	-
Charge for the year (refer note 23)	-	53,011	16	140	206	37	262	12	2,284	55,968	-
Disposals/ Adjustments	-	(96)	-	-	-	-	-	-	(1)	(97)	-
Assets classified as held for sale (refer note 45)	-	(2,502)	-	-	-	-	-	-	-	(2,502)	-
Impairment loss (refer note 56)	-	5,608	-	-	-	-	-	-	-	5,608	436
At March 31, 2021	-	1,83,010	73	407	721	180	1,696	12	8,254	1,94,353	436
Charge for the year (refer note 23)	-	29,362	14	103	117	135	137	207	1,713	31,788	-
Disposals/ Adjustments	-	(655)	-	-	-	-	-	-	(2)	(657)	-
Assets classified as held for sale (refer note 45)	-	(809)	-	-	(44)	-	-	-	(87)	(940)	-
At March 31, 2022	-	2,10,908	87	510	794	315	1,833	219	9,878	2,24,544	436
Net block											
At March 31, 2022	32,902	10,85,891	14	467	197	816	1,691	1,215	54,193	11,77,386	1,62,554
At March 31, 2021	31,827	8,12,386	25	462	221	132	1,780	484	52,486	8,99,803	1,02,462

* Addition includes expenditure capitalized during construction period (refer note 31) and also includes adjustment amounting to INR 6,065 lakhs on account of recovery from one of the vendor (refer note 57 (iii))

Notes:

- (i) Refer note 46 and 47 for restatement and reclassification respectively
 (ii) The amount of borrowing costs capitalized (net) during the year ended March 31, 2022 was INR 9,561 lakhs (March 31, 2021: INR 3,239 lakhs). Rate of borrowing is 8.5% p.a. to 9.9% p.a.
 (iii) Property, plant and equipment are pledged as security against borrowing, the details related to which is described in Note 12.1 and Note 15.1 on borrowings.
 (iv) During the current year, the Company has changed the useful life of the property, plant and equipment (refer note 43(B)(vi)) for additional disclosure in regard to the same.
 (v) Aging and Completion schedule of Capital Work in Progress is not given since the numbers are not material.



Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

4. Intangible assets

	Software	Total
Gross block at cost		
At April 1, 2020	1,644	1,644
Additions	78	78
Disposals/ Adjustments	-	-
At March 31, 2021	1,722	1,722
Additions	39	39
Disposals/ Adjustments	-	-
At March 31, 2022	1,761	1,761
Accumulated Amortization		
At April 1, 2020	1,101	1,101
Charge for the year	371	371
Disposals/ Adjustments	-	-
At March 31, 2021	1,472	1,472
Charge for the year (refer note 23)	251	251
Disposals/ Adjustments	-	-
At March 31, 2022	1,723	1,723
Net block		
At March 31, 2022	38	38
At March 31, 2021	250	250



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
4A. Investments		
Non-current investments in equity accounted investees		
Investment in equity shares of Associates (at cost)		
3,96,206 shares (March 31, 2021: 10,000) equity shares of INR 10/- each fully paid up in Premier energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited) *	937	-
Waaree Power Private Limited**	-	-
Total	937	-
Total	937	-
Aggregate value of unquoted investments	937	-

*During the current year ended March 31, 2022, the Group has entered into a non-binding obligation with M/s Premier Energies limited ("Premier/ Manufacturer"), a solar module manufacturing company, relating to execution of tender received from SECI. The Group has invested INR 937 lakhs to acquire 26% of the equity shares of an entity, where Premier have invested in 74% of equity shares. Subsequent to the year end, the Company has entered into related module supply agreements and share and debentures subscription agreements with Premier (refer note 60).

**During the year ended March 31, 2020, the Group won a tender issued by Solar Energy Corporation of India Limited (SECI). Pursuant to the terms of the tender, the Group had agreed to a firm purchase commitment with a solar module manufacturer i.e. Waaree Power Private Limited to procure 2,800 MWs of modules. Pursuant to the terms of the tender, the Company had entered into a joint venture agreement on January 06, 2020 with Waaree Power Private Limited to establish a manufacturing facility with a capacity of manufacturing 500 MW Solar PV Modules per annum. Accordingly, the Group had invested INR 0.26 lakhs (INR 0.26 lakhs as of March 31, 2021) to acquire 26% of the equity shares in a newly formed company incorporated as part of the joint venture agreement to establish a manufacturing facility (investee) and is committed to further invest 26% of the equity required for construction of the manufacturing facility, and additionally procure modules. Subsequent to year end the company has entered into a termination agreement with Waaree for the termination of the said contract and has accordingly recorded a loss on termination of contract amounting to INR 5,395 lakhs (refer note 25).

5. Non-current financial assets

5.1 Trade receivables

(Unsecured, considered good)

Carried at amortized cost

Trade receivables - others (refer note 30)

Trade receivables - fellow subsidiaries (refer note 27)

Total

32,126	-
24	-
32,150	-

Break-up for trade receivables

Undisputed trade receivables, considered good

Undisputed trade receivables, credit impaired

Total

32,150	-
198	-
32,348	-

Impairment allowance doubtful trade receivable (refer note 40)

Undisputed trade receivables, credit impaired

Total

(198)	-
32,150	-

Trade receivables ageing schedule

As at March 31, 2022	Unbilled receivables*	Non current but not due**	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
			Unbilled receivables*					
Undisputed trade receivables, considered good	24,451	7,698	-	-	-	-	32,149	
Undisputed Trade Receivables – credit impaired	135	64	-	-	-	-	199	
Total	24,586	7,762	-	-	-	-	32,348	

* Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Company is yet to raise invoices to the customer.

** Non-Current but not due represent receivables which aren't due as per credit terms agreed with the customer.

Trade receivables includes Safeguard duty (SGD)/Goods and Services Tax (GST) receivables as at March 31, 2022 amounting to INR 24,450 lakhs (March 31, 2021 INR Nil). The company has recognised receivable in accordance with Central Electricity Regulatory Commission (CERC) orders passed in favor of the Group providing for payment of monthly annuity ranging from INR 6 lakhs to INR 165 lakhs for a period of 13 to 15 years in different companies of the Group considering discount rate ranging from 9%-10.41%. The Group had not recognised SGD receivables in previous year due to lack of reasonable certainty.

5.2 Loans

(Unsecured, considered good)

Carried at amortized cost

Performance guarantee deposit

Total

284	251
284	251

5.3 Other financial assets

(Carried at amortised cost, unless otherwise stated)

Term deposits*

Interest accrued on term deposits

Interest accrued on loans and advances to others

Security deposits

Other receivables (refer note 57(iii))

Carried at fair value through other comprehensive income (refer note 36)

Derivative assets

Total

49,112	45,451
661	2,144
3	-
651	297
6,065	-
2,263	208
58,755	48,100

* The Group has INR 15,648 lakhs (March 2021: 6,245 lakhs) as term deposits lying with banks that represents an amount towards Debt-Service Reserve account for its outstanding loan.

* The Group has INR 11 lakhs (March 2021: 117 lakhs) as term deposits lying with banks that represents an amount towards Interest-Service Reserve account for its working capital demand loan.

* The Group has INR 8,724 lakhs (March 2021: 15,912 Lakhs) as term deposits lying with banks that represent an amount towards hedging margin and margin money against bank guarantees and letter of credit.

* The Group has INR 262 lakhs (March 2021: 9 lakhs) as term deposits lying with banks that represent an amount issued to statutory authorities.

* The Group has INR 194 lakhs (March 2021: 6 lakhs) as deposits for lien to third parties.



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	
	March 31, 2022	March 31, 2021
6. Income tax assets (net)		
Advance income-tax (net of provision for tax of INR 60 lakhs (March 31, 2021: INR 241 lakhs))	6,523	5,977
Total	6,523	5,977
7. Other non-current assets <i>(Unsecured, considered good)</i>		
Capital advances - others	3,676	1,706
Deferred financing cost	-	1,601
Prepaid asset - others	75	73
Prepaid performance bank deposit	2,607	2,740
Contract assets (refer note 30)	5,750	3,449
Total	12,108	9,569
8. Current financial assets <i>(Carried at amortized cost, unless stated otherwise)</i>		
8.1 Trade receivables		
Trade receivables - related parties (refer note 27)	-	23
Trade receivables - others* (refer note 30)	58,347	48,808
Total	58,347	48,831
Break up for trade receivables:		
From others		
Undisputed trade receivables – considered good	56,287	28,819
Undisputed trade receivable – credit impaired	1,332	1,364
Disputed trade receivables – considered good	2,060	20,012
Disputed trade receivables – credit impaired	930	3,435
	60,609	53,630
Impairment allowance for doubtful trade receivables (refer note 40)		
Undisputed trade receivable – credit impaired	(1,332)	(1,364)
Disputed trade receivables – credit impaired	(930)	(3,435)
Total	58,347	48,831

Trade receivables ageing schedule

As at March 31, 2022	Unbilled receivables**	Current but not due***	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
			Undisputed Trade Receivables – considered good	25,104	17,411	5,222	3,004	
Undisputed Trade receivable – credit impaired	187	90	126	101	335	245	248	1,332
Disputed Trade Receivables – considered good	-	-	10	60	-	-	1,990	2,060
Disputed Trade receivable – credit impaired	-	-	10	190	360	110	260	930
	25,291	17,501	5,368	3,355	2,674	2,265	4,155	60,609

As at March 31, 2021	Unbilled receivables**	Current but not due***	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
			Undisputed Trade Receivables – considered good	13,719	10,945	2,983	683	
Undisputed Trade receivable – credit impaired	12	230	11	280	155	532	144	1,364
Disputed Trade Receivables – considered good	2,067	1,736	5,237	3,032	5,136	2,804	-	20,012
Disputed Trade receivable – credit impaired	-	-	-	-	-	1,724	1,711	3,435
	15,798	12,911	8,231	3,995	5,665	5,175	1,855	53,630

*Trade receivables are non-interest bearing and are generally on terms of 30 to 75 days except receivables agreed under Electricity (Late Payment Surcharge ("LPS") and Related Matters) Rules, 2022.

** Unbilled receivables represents receivables where the goods and/or services have been provided to the customer for which the Company has unconditional right to consideration. However, the Company is yet to raise invoices to the customer.

*** Current but not due represent receivables which aren't due as per credit terms agreed with the customer.

Azure Power Sunrise Private Limited is currently in discussion with off-taker for the recovery of the said amount INR 7,812 lakhs regarding to delay in receipt since past five years and the said matter is now pending at the board of the off-taker. The management is of the view that they have completed the performance obligation under the Power Purchase Agreement, hence the said amount is recoverable as on March 31, 2022.

8.2 Cash and cash equivalents

Balances with banks:

- In current accounts	65,195	11,266
- Deposits with original maturity of less than 3 months	38,626	55,980
Total	1,03,821	67,246

There are no repatriation restriction with cash and cash equivalents as at the end of reporting period and prior period.

8.3 Other bank balances

- Deposits held as margin money with maturity less than 12 months	-	2,838
- Deposits with remaining maturity for more than 3 months but with remaining maturity for less than 12 months	53,650	38,510
Total	53,650	41,348



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
8.4 Loans		
<i>(Unsecured, considered good)</i>		
Carried at amortised cost		
Loans to third party**	1,300	-
Loans to fellow subsidiaries* (refer note 27)	7,872	5,808
Total	9,172	5,808
* The loans have been granted to fellow subsidiaries which are repayable in one year. These loans are provided at rate of 6.95% p.a. to 10.60% p.a.		
**The loans are provided at rate of 10% p.a		
8.5 Other current financial assets		
<i>(Carried at amortised cost, unless stated otherwise)</i>		
Security deposits	1	-
Interest accrued on term deposits	300	1,088
Interest accrued on loans and advances	31	-
Interest accrued on loans to fellow subsidiaries (refer Note 27)	995	374
Contractually reimburseable from related parties (refer note 27)	3,887	3,716
Viability gap funding receivable	1	13
Other receivables	599	-
Carried at fair value through profit or loss		
Firm commitment	126	4,660
Derivative assets	8	4,103
Carried at fair value through other comprehensiv income (refer note 36)		
Derivative assets	-	378
Total	5,948	14,332
9. Other current assets		
<i>(Unsecured, considered good)</i>		
Contract assets (refer note 30)	164	61
Balance with statutory authorities	2,466	2,434
Prepaid asset - others	1,688	1,899
Prepaid performance bank guarantee	133	99
Advance to vendors		
Unsecured, considered good	4,729	236
Unsecured, considered doubtful	-	703
(Less): Allowance for bad and doubtful advances	-	(703)
	4,729	236
Deferred financing cost	1,423	2,099
Other advances	94	99
Other receivables	418	-
Total	11,115	6,927



10. Equity Share Capital

Particulars	March 31, 2022	March 31, 2021
Authorized share capital:		
Equity share capital		
4,33,33,333 (March 31, 2021: 4,33,33,333) equity shares of INR 10/- each	4,333	4,333
8,66,66,667 (March 31, 2021: 8,66,66,667) non redeemable compulsory convertible preference shares (CCPS) of INR 10/- each	8,667	8,667
	13,000	13,000
Issued, subscribed and fully paid-up share capital:		
68,58,979 (March 31, 2021: 45,51,443) equity shares of INR 10/- each	686	455
	686	455
A. Reconciliation of No. of Equity Shares	No. of shares	Amount
At April 01, 2020	45,51,443	455
Changes during the year	-	-
At March 31, 2021	45,51,443	455
Changes during the year*	23,07,536	231
At March 31, 2022	68,58,979	686

*During the current year, the Company have issued 23,07,536 number of equity shares of INR 10 each fully paid up to Azure Power Global Limited @ INR 7,510 per share (which includes INR 7,500 per share as security premium).

B. Terms/Rights attached to shares

The Parent Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Shares held by holding company

Out of equity shares issued by the Parent Company, shares held by its holding company are as below:

	March 31, 2022	March 31, 2021
Azure Power Global Limited, the holding company		
67,56,392 (March 31, 2021: 44,48,856) equity shares of INR 10/-each fully paid up	676	445

D. Details of shareholders holdings more than 5% shares

Name of the shareholder	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
Equity shares of INR 10 each fully paid				
Azure Power Global Limited	67,56,392	98.50%	44,48,856	97.75%
Inderpreet S Wadhwa (refer note 35- contingent liabilities)	97,497	1.42%	97,497	2.14%

As per records of the Parent Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

E. Details of shares held by Promoters

For the year ended March 31, 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Azure Power Global Limited	44,48,856	23,07,536	98.50%	51.87%

For the year ended March 31, 2021

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Azure Power Global Limited	44,48,856	-	97.75%	-

F. There are no bonus shares issued, for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date. Further, there are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment.



11. Other equity

For the year ended March 31, 2022:

Particulars	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Reserves and surplus			Items of other comprehensive income			Total equity
		Surplus/(Deficit) in the statement of profit and loss (refer note 11.2)	Securities premium** (Note 11.3)	Other reserve (Note 11.4)	Defined benefit plans (Note 11.5)	Cash flow hedge reserve (Note 11.6)	Foreign currency translation reserve (FCTR) (Note 11.7)	
At April 01, 2021	2,605	(1,45,122)	3,33,736	403	(68)	(2,012)	29	1,91,055
Adjustment relating to prior period errors*	-	(3,779)	-	-	-	-	-	(3,779)
Restated balance as at April 1, 2021	2,605	(1,48,901)	3,33,736	403	(68)	(2,012)	29	1,87,276
(Loss)/Profit for the year	-	341	-	-	-	-	-	152
Other comprehensive income	-	-	-	-	13	1,139	2	493
Total Comprehensive Income/(loss)	2,605	(1,48,560)	3,33,736	403	(55)	(873)	31	1,88,923
Securities premium on account of issue of equity shares during the year (net of share issue expenses)	-	-	1,72,846	-	-	-	-	1,72,846
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	928	-	-	-	-	-	-	-
Transactions with non-controlling interest	-	(1,589)	-	-	-	-	-	928
At March 31, 2022	3,533	(1,50,149)	5,06,582	403	(55)	(873)	31	1,589
For the year ended March 31, 2021:								3,225
								3,62,697

For the year ended March 31, 2021:

Particulars	Deemed capital contribution by parent / ESOP reserve (Note 11.1)	Reserves and surplus			Items of other comprehensive income			Total equity
		Surplus/(Deficit) in the statement of profit and loss (refer note 11.2)	Securities premium** (Note 11.3)	Other reserve (Note 11.4)	Defined benefit plans (Note 11.5)	Cash flow hedge reserve (Note 11.6)	Foreign currency translation reserve (FCTR) (Note 11.7)	
At April 01, 2020	2,163	(1,09,641)	3,33,736	403	(45)	(1,028)	38	1,880
Adjustment relating to prior period errors*	-	2,827	-	-	-	-	-	2,827
Restated balance as at April 1, 2020	2,163	(1,06,814)	3,33,736	403	(45)	(1,028)	38	4,57,839
Loss for the year	-	(42,087)	-	-	-	-	-	(396)
Other comprehensive (loss)	-	-	-	-	(23)	(984)	(9)	(42,483)
Total Comprehensive Income/(loss)	2,163	(1,48,901)	3,33,736	403	(68)	(2,012)	29	(1,016)
Deemed capital contribution by parent on account of employees Stock option plan (refer note 28)	442	-	-	-	-	-	-	4,14,340
At March 31, 2021	2,605	(1,48,901)	3,33,736	403	(68)	(2,012)	29	1,484
								442
								1,87,276

* Refer note 46 and 47 for restatement and reclassification respectively

**The amount is net of share issue expenses.

Nature and purpose of reserves

11.1 Deemed capital contribution by parent / ESOP reserve

The share options based payment reserve is used to recognize the grant date fair value of options issued to employees under Employee stock option plan.

11.2 Surplus/(loss) in the statement of profit and loss

Surplus in the statement of profit and loss are the results of the Group earned till date net of appropriations.

11.3 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares, etc. in accordance with the provisions of the Companies Act, 2013.

11.4 Other reserve

The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

11.5 Defined benefit plans

Defined benefits plans includes all the remeasurements, comprising of actuarial gains/losses on defined benefits obligation & Fair value of assets.

11.6 Cash flow hedging reserve

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses cross currency swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

11.7 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

In view of losses, the debenture redemption reserve in terms of Section 71(4) of the Companies Act 2013 and rule 18(7) of Companies (Share Capital & Debenture) Rules, 2014 has not been created. Some Subsidiaries shall create debenture redemption reserve out of profits, if any, in the financial year.



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

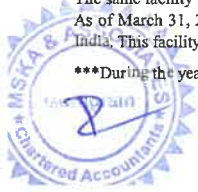
Particulars	As at March 31, 2022	As at March 31, 2021
12. Non-current financial liabilities		
12.1 Non-current borrowings		
<i>At amortized cost</i>		
Term loans (secured)		
Foreign currency loan from financial institutions	30,387	52,074
Foreign currency loan from bank	8,106	21,037
Term loan from financial institutions	3,78,393	1,67,091
Term loan from banks	1,55,594	18,583
Vehicle loan	71	-
External commercial borrowings (refer note 27)	2,23,107	2,04,867
Non-convertible debentures (refer note 27)	2,87,458	3,30,479
Loans from fellow subsidiaries (refer note 27)	-	46,899
Total	10,83,115	8,41,030
Current maturities of long-term borrowing (refer note 15.1)	71,647	46,580
Total borrowings	11,54,762	8,87,610
12.2 Other financial liabilities		
Financial liabilities at fair value through profit or loss		
Cash-settled share-based payments (refer note 27 and 28)#	-	11,157
Other financial liabilities at amortized cost		
Payable to fellow subsidiaries (refer note 27)	42	-
Financial liabilities at fair value through other comprehensive income (refer note 36)		
Derivative liabilities	-	2,374
Total	42	13,531
# Cash-settled share-based payments are current pursuant to resignation of Mr. Ranjit Gupta (erstwhile CEO) and Mr. Murali Subramanian (erstwhile COO).		
13. Provisions		
13.1 Non-current		
Provision for gratuity (refer note 37)	591	471
Provision for decommissioning liabilities*	9,304	7,356
Total	9,895	7,827
*A provision has been recognized for decommissioning costs associated with solar power plants constructed on leasehold land. The Group is under an obligation to decommission the plant at the expiry of the lease term, before handing over the leasehold land to the lessor.		
Movement in provision for decommissioning liabilities		
Opening balance	7,356	6,654
Addition during the year	2,270	2,107
Amount adjusted due to change in estimate	(928)	(1,826)
Accretion during the year	606	421
Closing balance	9,304	7,356
13.2 Current		
Provision for compensated absences	530	453
Provision for gratuity (refer note 37)	37	22
Total	567	475
14. Other non-current liabilities		
Deferred viability gap funding income	17,532	16,766
Deferred government grant	1,495	1,076
Deferred revenue on revenue straightligning	7,726	6,766
Deferred revenue on SGD receivable	28,894	-
Total	55,647	24,608
15. Current financial liabilities		
(Carried at amortised cost, unless stated otherwise)		
15.1 Current borrowings		
Secured loans		
From Banks:		
Working capital demand loan*	-	15,155
Foreign currency loan from bank**	70,360	74,277
Current maturities of long-term borrowing (refer note 12.1)	71,647	46,580
From Others:		
Unsecured		
Loans from others***	11,299	-
Total	1,53,306	1,36,012

* During the year ended March 31, 2021, the Group has taken a short-term loan facility of INR 15,285 Lakhs from HSBC Bank. Borrowings under this facility are repayable within 12 months of disbursement. The facility bears an interest rate of 8.75% per annum, payable monthly. The same facility has been repaid in the current year.

** During the year ended March 31, 2021, the Group has taken a buyer's credit facility amounting to INR 74,277 lakhs for one of its under construction SPVs for 600 MW solar power project with Solar Energy Corporation of India, entered during the current period. This facility carry a floating interest rate of six months LIBOR plus spread (45 basis points, 60 basis points or 11 basis points) as applicable. The same facility was repaid in the current year.

As of March 31, 2022, the Company has a buyer's credit facility amounting to INR 70,360 lakhs for one of its under construction SPVs for 300 MW solar power project with Solar Energy Corporation of India. This facility carries a floating interest rate of 12 Month SOFR and spread ranging plus 0.21 PCT.

***During the year ended March 31, 2022, the Group has taken loan from Radianc Renewables Private Limited which carries interest rate of 10% per annum and repayable on demand.



Azure Power India Private Limited
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(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
15.2 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	366	1,096
- Total outstanding dues of creditors other than micro enterprises and small enterprises		
- to others	11,846	6,347
- to related parties	-	334
Total	12,212	7,777

Trade payables Ageing Schedule

As at 31 March 2022	Unbilled dues*	Not due trade payable**	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	4	47	125	72	32	86	366
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,375	2,767	3,572	802	275	54	11,846
	4,379	2,814	3,697	874	307	140	12,212
As at 31 March 2021	Unbilled dues*	Not due trade payable**	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	566	297	218	15	1,096
Total outstanding dues of creditors other than micro enterprises and small enterprises	262	256	3,521	1,485	1,151	5	6,681
	262	256	4,087	1,782	1,369	20	7,777

Trade payables are non-interest bearing and are normally settled on 30-60 days terms.

* Unbilled dues represents payables where the goods and/or services have been received, however, Group is yet to receive invoices from the vendors.

** Not due trade payable represent balances which aren't due as per credit terms agreed with the vendor.

Refer note 47 for reclassification.

15.3 Other current financial liabilities

(Carried at amortised cost, unless stated otherwise)

Interest accrued and due on borrowings	162	-
Interest accrued but not due on borrowings	3,771	2,964
Interest accrued but not due to fellow subsidiaries/ entity having significant influence (refer note 27)	9,161	18,873
Payable to holding company / fellow subsidiary companies (refer note 27)	460	996
Payable to employees	1,247	1,266
Payable for purchase of capital goods	30,932	39,190
Other payables	1	-
Interest accrued on loans and advances from third party	4	-
Financial liabilities at fair value through other comprehensive income (refer note 36)		
Derivative liabilities	938	845
Financial liabilities at fair value through profit or loss		
Cash-settled share-based payments (refer note 27 and 28)	8,444	1,020
Firm commitment (refer note 36)	9	-
Derivative liabilities (refer note 36)	125	8,763
Total	55,253	73,917

16. Other current liabilities

Statutory dues	2,739	1,332
Deferred revenue on SGD receivable	1,334	-
Deferred viability gap funding income	1,055	1,100
Deferred government grant	80	67
Advance from customers	57	129
Total	5,265	2,628





Nature of loan	Lender	Purpose	Type of Interest	Rate of Interest	Repayment Terms	March 31, 2022 ⁽ⁱ⁾	March 31, 2021 ⁽ⁱ⁾
Term loan in INR*	Yes Bank, Syndicate Bank and P&S Bank	Borrowing for financing of the 30 MW solar power project.	Floating Rate	Base rate plus 1.50% per annum.	The loan is repayable in 58 quarterly instalments starting from December 31, 2015 and ending on December 31, 2029.	NIL#	12,145
Term loan in INR*	Indian Renewable Energy Development Agency (IREDA)	Borrowing for financing of the 30 MW solar power project.	Floating Rate	Floating interest rate of 7.5% per annum with reset of every three years as notified by IREDA as per applicable RBI.	The loan is repayable in 108 monthly instalments ranging from 0.50% - 0.60% commencing from April 2022 and ending in March 2036.	15,093	
Foreign currency loan from bank	Yes Bank-Buyer's Credit	The purpose of loan is for financing of 200 MW solar power project.	Floating Rate	Six months LIBOR plus 0.5% spread on the US\$ Notional Amount.	The facility is repayable starting from September 2021 till April 2022	NIL#	42,179
Non-convertible debentures in INR	FMO	Borrowing for financing of various solar power project.	Fixed rate	Interest rate of term loan is 12.30%	The debentures are repayable in 11 equated semi-annual instalments beginning September 2022 until September 2027	NIL#	19,000
Term loan in INR*	Aseem Infrastructure Finance Limited	Borrowing for financing of the 100 MW solar power project.	Floating Rate	Interest rate of term loan is 7.75% with reset every three years based upon AIFL benchmark rate and this applicable spread.	The loan is repayable in 63 quarterly instalments ranging from 1.23% - 2.55% commencing December 2021 and ending on June 2037.	33,008	
Term loan in INR	HDFC Bank - Vehicle Loan	Vehicle loan	Fixed rate	Interest rate of term loan is 7.20%	- The loan is repayable in 60 quarterly instalments ranging from 1.59% - 1.98% commencing November 2021 and ending on October 2026. - The loan is repayable in 60 quarterly instalments ranging from 1.39% - 1.97% commencing January 2022 and ending on December 2026.	88	
Term loan in INR***	L&T Infra Debt Fund	For financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited.	Fixed Rate	These facilities carry an interest rate of 9.60%	The loan is repayable in 52 quarterly instalments commencing June 2020.	NIL#	24,098
Term loan in INR***	MIF Finance Ltd.	For re-financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited.	Fixed Rate	These facilities carry an interest rate of 8.00%	The loan is repayable in 47 quarterly instalments ranging from 1.59% - 2.44% commencing September 2021.	17,503	
Term loan in INR***	Kotak IDF	For re-financing of its 35 MW solar project with NTPC Vidyut Vyapar Nigam Limited.	Fixed Rate	These facilities carry an interest rate of 8.00%	The loan is repayable in 47 quarterly instalments ranging from 1.59% - 2.44% commencing September 2021.	6,638	
Term loan in INR***	L&T Infra Debt Fund	Borrowing for re-financing of 5 MW solar power project.	Fixed rate	Interest rate of term loan is 9.70%	The loan is repayable in 49 quarterly instalments commencing December 31, 2019 and ending on December 31, 2031.	NIL#	4,374
Foreign currency loan from bank	Yes Bank-Buyer's Credit	Repowering of solar power project	Floating Rate	Six months LIBOR plus 0.8% spread	The facility is repayable in June 2021	NIL#	592
Foreign currency loan from bank	Yes Bank-Buyer's Credit	Repowering of solar power project	Floating Rate	Six months LIBOR plus 0.8% spread	The facility is repayable in June 2021	NIL#	296
Foreign currency loan from bank	Yes Bank-Buyer's Credit	Repowering of solar power project	Floating Rate	Six months LIBOR plus 0.8% spread	The facility is repayable in Current year	NIL#	514
Foreign currency loan from bank	Yes Bank-Buyer's Credit	Repowering of solar power project	Floating Rate	Six months LIBOR plus 0.8% spread	The facility is repayable in June 2021	NIL#	640
Foreign currency loan from bank	Yes Bank-Buyer's Credit	Repowering of solar power project	Floating Rate	Six months LIBOR plus 0.8% spread	The facility is repayable during current year	NIL#	296
Foreign currency loan from bank	Yes Bank-Buyer's Credit	Repowering of solar power project	Floating Rate	Six months LIBOR plus 0.8% spread	The facility is repayable during current year	NIL#	614
Term loan in INR***	TATA Capital Financial Services Limited	Borrowing for re-financing of the 50 MW PV solar power project.	Floating Rate	TCCL Prime Lending rate less 6.3%	The loan is repayable in 71 quarterly instalments and commenced March 31, 2020.	NIL#	20,102
Term loan in INR***	Rural Electrification Corporation (REC)	Borrowing for financing of its 90 MW solar project.	Floating Rate	REC Lending Rate	The loan is repayable in 204 monthly instalments commencing April 2022.	NIL#	17,739
Indian currency Loan***	Power Corporation (PPC)	Finance: For financing of its 600 MW solar project with Solar Energy Corporation of India.	Floating Rate	The applicable interest rate is 10.30% per annum payable monthly. This interest rate is applicable for Renewable Energy Projects with an Integrated Rating of IR-2, with 3 year reset as per PPC policy.	The loan is repayable in 228 monthly instalments commencing November 2021.	NIL#	40,435
Foreign currency Loan	Axis Bank, ICICI Bank and Industrial bank	For one of the under construction SPV's 600 MW solar power project with Solar Energy Corporation of India.	Floating Rate	This facility carry a floating interest rate of six months LIBOR plus spread (45 basis points, 60 basis points or 11 basis points) as applicable	During the current year the facility was closed.	NIL#	74,276



Azure Power India Private Limited
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Foreign currency loan from bank	Development	Borrowing for one of its construction SPVs for 300 MW solar power project with Solar Energy Corporation of India.	Floating Rate	This facility carry a floating interest rate of 12 Month SOFR and spread ranging plus 0.21 PCT.	70,359	
Foreign currency Loan**	Export Development Canada *	For providing funds to project as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project.	SPV's Floating Rate	These facilities are foreign currency loans and carries an interest rate of ranging from 2.5% - 32.5% commencing November 2021 and ending on May 2025	53,724	55,087
Term loan in INR***	Indian Renewable Energy Development Agency (IREDA)	Borrowing for financing of its 90 MW solar project.	Floating Rate	Floating interest rate of 7.5% per annum with reset of every three years ranging from 0.310% - 0.70% commencing from October 2022.	35,754	
Term loan from Bank*	Aditya Birla Finance Limited & Tata Cleantech Capital Limited	The purpose of loan is for financing 200 MW solar power project.	Floating rate	Loan is repayable in 72 quarterly installments commencing from September 2020.		16,228
Term loan in INR*	Konark Infrastructure Debt Fund Limited	For financing of a 10 MW solar power project with Bangalore Electricity Supply Company Limited.	Floating Rate	These facilities carry an interest rate of 8.50% per annum fixed till September 30, 2022 and shall be reset every two years thereafter as notified by lender.	3,594	3,889
Foreign currency Loan**	Standard Chartered Bank (Singapore) Limited	For providing funds to project as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of each project.	Floating Rate	These facilities are foreign currency loans and carries an interest rate of ranging from 2.5% - 32.5% commencing November 2021 and ending on May 2025	14,332	14,158
Term loan in INR*	Tata Cleantech Capital Limited	The purpose of loan is for financing 200 MW solar power project.	Floating Rate	Interest rate of term loan is 7.50% and shall be reset every three years ranging from 1.1% - 1.71% commencing December 2022 and ending on March 31, 2039	32,053	
Term loan in INR*	Axis Bank	The purpose of loan is for financing 200 MW solar power project.	Floating Rate	Interest rate of term loan is 7.50% and shall be reset every three years ranging from 1.1% - 1.71% commencing December 2022 and ending on March 31, 2039	24,234	
Term loan in INR*	NIF Finance Ltd.	Borrowing for financing of the 100 MW solar power project.	Floating Rate	Interest rate of term loan is 7.75% with reset every five years based upon 35 bps ("Spread") over and above the NIF IEL 5 YR benchmark rate.	17,550	
Term loan in INR***	NIF Finance Ltd.	Borrowing for re-financing of 5 MW solar power project with NTPC Vidyut Vyapar Nigam Limited.	Fixed rate	Interest rate of term loan is 8.25%.	4,026	
Term loan in INR***	NIF Finance Ltd.	Borrowing for re-financing of the 50 MW PV solar power project with NTPC Limited.	Floating Rate	The loan is repayable in 64 quarterly installments ranging from 1.05% - 2.45% commencing December 31, 2021.	20,930	
Term loan in INR***	State Bank of India	Borrowing for financing of solar project.	Floating Rate	The loan is repayable in 52 unequal quarterly installments commencing June 2020 and ending on March 31, 2033 commencing from 1.06% - 1.13%.	4,070	4,407
Term loan in USD****	EDC, SoGen, MOFC and HKMC	Borrowing for financing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	Interest rate of term loan is LIBOR+Margin of 2.1% per annum, payable on quarterly basis.	1,17,241	
Term loan in INR***	L & T Finance Limited	For one of the under construction SPV's 600 MW solar power project with Solar Energy Corporation of India.	Floating Rate	Interest rate of term loan is 7.20% payable monthly. This interest rate is applicable for Renewable Energy Projects with an Integrated Rating of IR-2, with 3 year reset as per L&T policy.	2,09,836	
Term loan in INR***	SBI	For financing of its 300 MW solar project with Solar Energy Corporation of India	Floating Rate	Applicable rate of interest is MCLR plus 2.6% which is presently 9.55% payable monthly and after the operation date the interest rate will be 6 month MCLR Plus Margin based on credit rating payable monthly	14,183	



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Term loan in INR*	Indian Renewable Energy Development Agency (IREDA)	Borrowing for financing of the 100 Floating Rate Agency MW solar project.	The floating interest rate at Grade-II as per IREDA.	The loan is repayable in 73 Quarterly instalments started from June 30, 2018 and ending on June 30, 2026.	51,130
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(*) Borrowing amount represents outstanding loan amount including current maturities post adjusting unamortised ancillary cost of borrowing at the year end.

The loan has been refinanced during the financial year ending March 31, 2022.

The loan has been repaid during the financial year ending March 31, 2022.

* Borrowing is secured by first charge on Company's movable and immovable properties and hypothecation on all the movable fixed assets both present and future.

** Borrowing is collateralized by the shares of project SPVs and hypothecation/charge over receivables of the Group.

*** Borrowing is collateralized by movable and immovable properties of underlying solar power project assets and pledge of 100% of equity shares of the company held by Azure Power India Private Limited

**** Borrowing is collateralized by movable and immovable properties of underlying solar power project assets and pledge of 100% of equity shares of the company held by Azure Power India Private Limited

During August 2017, some of the Group's subsidiaries (Restricted Group-II entities) have raised External Commercial Borrowings ("ECB") denominated in Indian Rupees and raised INR 2,04,867 lakhs from Azure Power Energy Limited (APEL) a fellow subsidiary. APEL has issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group entities. APGL had guaranteed the principal and interest repayments to the investors, however the guarantee became ineffective on May 07, 2020 upon meeting certain financial covenants at group level, which were met basis financial statements for the year ended March 31, 2019. The ECB's are recorded at amortized cost basis. In accordance with the terms of the issue, the proceeds were used for repayment of the existing project level loans. Pursuant to refinancing of existing US\$ 5,000 lakhs Solar Green Bonds issued by APEL in 2017 due for repayment in November 2022, through issuance of US\$ 4,140 lakhs Solar Green Bond (the "Bond"), the ECB has been refinanced during the year in August 2021. The interest on the ECB's are payable on a semi-annual basis at interest rate of 7.65% p.a. and the principal is payable on a semi-annual instalment ranging from 3.4% to 3.8% and balance 67.4% on maturity in August 2026. The ECB's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited

During August 2017, some of the Group's subsidiary (Restricted Group-II entities) have issued Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 1,07,700 Lakhs from Azure Power Energy Limited (APEL) a fellow subsidiary. APEL has issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group entities. APGL had guaranteed the principal and interest repayments to the investors, however the guarantee became ineffective on May 07, 2020 upon meeting certain financial covenants at group level, which were met basis financial statements for the year ended March 31, 2019. The total premium of 11,148 lakhs are payable at the time of redemption of NCD. During the year, redemption premium of INR 1,238 lakhs have been recorded as finance cost, using the effective interest rate method. The NCD's are recorded at amortized cost basis. In accordance with the terms of the issue, the proceeds were used for repayment of the existing project level loans. The interest on the NCD's are payable on a semi-annual basis at interest rate of 7.65% and the principal is payable on a semi-annual instalment ranging from 3.4% to 3.8% and balance 67.4% on maturity in August 2026. The NCD's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited.

Pursuant to refinancing of existing US\$ 5,000 Lakhs Solar Green Bonds issued by APEL in 2017 due for repayment in November 2022, through issuance of US\$ 4,140 Lakhs Solar Green Bond (the "Bond") during August 2021, some of the Group's subsidiaries (Restricted Group-II entities) during the current year have raised Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 31,900 lakhs from Azure Power Energy Limited (APEL). These funds has been utilised for the settlement of existing ECB of INR 7,200 Lakhs and NCD of INR 40,565 Lakhs. APEL has issued Solar Green Bonds to the ultimate investors and invested the proceeds back in some of the Group's subsidiaries (Restricted Group-II entities). The interest on the NCD's are payable on a semi-annual basis at interest rate of 7.65% p.a. and the principal is payable on a semi-annual instalment ranging from 3.4% to 3.8% and balance 67.4% on maturity in August 2026. Further, the issuance expenses relating to NCD's have been recorded as finance cost, using the effective interest rate method and the unamortised balance of such amounts is netted with the carrying value of the NCD's. NCD's are recorded at amortized cost basis. The NCD's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited.

During the year ended March 2020, some of the Group's subsidiary (Restricted Group-II entities) have issued Non-Convertible Debentures ("NCD") denominated in Indian Rupees and raised INR 1,95,006 Lakhs from Azure Power Solar Energy Private Limited (APSEPL) a fellow subsidiary. APSEPL has issued Solar Green Bonds to the ultimate investor and invested the proceeds back in the Restricted Group-II entities. Azure Power Global Limited (Holding Company) has guaranteed the principal and interest repayments to the ultimate investors and the guarantee shall become ineffective on meeting certain financial covenants. The total premium of INR 6,767 lakhs are payable at the time of redemption of NCD. During the year, redemption premium of INR 1,177 lakhs have been recorded as finance cost, using the effective interest rate method. The NCD's are recorded at amortized cost basis. In accordance with the terms of the issue, the proceeds were used for repayment of the existing project level loans. The interest on NCD's are payable on a semi-annual basis at interest rate of 5.95% to 10.30% and the principal amount is payable in December 2024. The NCD's are secured by first charge on movable and immovable properties of underlying solar power project assets and pledge of 51% of equity shares of the company held by Azure Power India Private Limited.

The Group continues to service its payment obligations for its borrowings in accordance with its financing documents. However, the Group was not able to submit its audited financial statements for the year ended March 31, 2022 within the stipulated time as per the covenants for the borrowings. The Group has obtained suitable waivers from its lenders for this non-compliance. (Refer note-56)



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Particulars	As at March 31, 2022	As at March 31, 2021*
17. Deferred tax assets/(liabilities)		
Deferred tax asset	35,340	31,378
Total	35,340	31,378
Deferred tax liability	3,002	438
Total	3,002	438
Deferred tax assets (net)	32,338	30,940

Reconciliation of Deferred Tax asset / (liability) (Net) :

	As at April 01, 2020*	Movement during the year *	As at March 31, 2021*	Movement during the year	As at March 31, 2022
Deferred tax liability:					
Difference between tax base and book base of property, plant and equipment	48,709	21,100	69,809	36,185	1,05,994
Exchange difference	751	(751)	-	-	-
Contract assets	171	(19)	152	216	368
Premium on non-convertible debentures	37	58	95	96	191
Leases	1,793	(816)	977	2,883	3,860
Capital Work in progress margin	-	-	-	276	276
Other Differences	21	3,654	3,675	(3,675)	-
Total deferred tax liability (A)	51,482	23,226	74,708	35,981	1,10,689
Deferred tax assets:					
Unabsorbed depreciation and brought forward losses	63,431	22,807	86,238	39,848	1,26,086
Capital Work in progress margin	2,008	1,712	3,720	(3,720)	-
Minimum alternate tax	6,186	193	6,379	767	7,146
Deferred Revenue	4,083	538	4,621	589	5,210
Provision for decommissioning liabilities	1,636	277	1,913	482	2,395
Allowance for doubtful trade receivable	755	1,927	2,682	(1,463)	1,219
Provision for employee benefits	164	(1,113)	(949)	1,301	352
Performance bank guarantee	9	8	17	50	67
Other Differences	249	(249)	-	101	101
Total deferred tax assets (B)	78,521	26,100	1,04,621	37,955	1,42,576
	228				
Deferred Tax asset / (liability) (Net) (B) - (A)	27,039	2,874	29,913	1,974	31,887
Other Comprehensive Income					
Deferred tax liability recognised in Other Comprehensive Income					
On cash flow hedge reserve	522	473	995	(572)	423
On defined benefit plan	20	12	32	(4)	28
Deferred Tax asset / (liability) net	27,581	3,359	30,940	1,398	32,338

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

		For the year ended March 31, 2022	For the year ended March 31, 2021*
Accounting profit/ (loss) before income tax		2,759	(42,055)
Applicable statutory income tax rate		34.94%	34.94%
Tax at applicable tax rate	(A)	964	(14,694)
Adjustments:			
Carry forward losses as reversing in the tax holiday		(184)	(4,833)
Disallowance as per section 94B of Income Tax Act, 1961 not considered for deferred tax purpose		9,668	11,968
Permanent difference in property, plant and equipment not considered for deferred tax purpose		(10,757)	3,485
Other permanent differences disallowed under income tax Act		6,462	9,715
Difference in tax rate of subsidiaries		86	(492)
Income tax adjustment pertaining to earlier year		4	(25)
Impact of fair valuation of rooftop assets under disposal group (refer note 45)		(3,977)	3,292
Brought forward losses adjusted		-	(9,918)
Total	(B)	1,302	13,192
Total tax expense/(benefit)	(A+B)	2,266	(1,502)
Component of tax expenses:			
Current tax expense		4,275	2,078
Income tax adjustment pertaining to earlier year		(17)	(25)
Deferred tax (credit)		(1,992)	(3,555)
Total tax expense/(benefit)		2,266	(1,502)

*Refer note 46 for restatement

The Company does not intend to dispose off its investments in associates and accordingly has not recognised deferred tax assets in respect of temporary differences arising on account of indexation benefits available with respect to said investments under Income Tax Act, due to lack of reasonable certainty on recovery of same.



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(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
18. Revenue from operations		
Revenue from contract with customers		
Sale of power*	1,73,134	1,48,239
Management fees (refer note 27)	495	9
Other operating revenue		
Carbon credit emission income	7,204	1,029
Total	1,80,833	1,49,277
*Revenue is recognised at point in time.		
19. Finance income		
Interest income on financial asset measured at amortised cost		
- Term deposits	4,282	3,982
- Loans to related parties (refer note 27)	750	418
- Safeguard duty receivables	1,615	-
- Others	408	216
Interest on refund of income tax	13	329
Total	7,068	4,945
20. Other income		
Sale of scrap	31	-
Liabilities no longer required written back*	8,007	1,345
Reversal of share based payment liability (net) (refer note 28)	2,807	-
Provision for doubtful debts written back	1,695	-
Related party balances written back (refer note 27)	1,098	-
Government grants related to assets	167	81
Gain on disposal of Property, plant and equipment	99	-
Gain on lease modification	-	475
Miscellaneous income	871	784
Total	14,775	2,685
* Includes gain of INR 2,679 lakhs (March 31, 2021: Nil) on account of write back of redemption premium on non-convertible debentures repaid during the current year.		
21. Impairment loss/(reversal)		
Impairment loss/(reversal)*	(626)	8,992
Total	(626)	8,992
*Amount includes INR 3,286 lakhs for reversal of impairment for assets related to sale of rooftop portfolio to Radiance (Also see Note 45). *Amount includes INR 2,660 lakhs for impairment for assets related to 2,333 MWs manufacturing linked projects (Also see Note 52). Refer note 46 for restatement.		
22. Employee benefits expense		
Salaries, wages and bonus	6,136	5,205
Contribution to provident and other funds	274	240
Gratuity expense (refer note 37)	142	110
Staff welfare expenses	43	15
Share based payment expense (net) (refer note 28)	-	13,583
Total	6,595	19,153
23. Depreciation, amortization expense*		
Depreciation of property, plant and equipment (refer note 3)	31,788	55,968
Depreciation of right of use assets (refer note 34)	1,400	1,455
Amortisation of intangible assets (refer note 4)	251	371
Total	33,439	57,794
*Refer note 46 and 47 for restatement and reclassification respectively.		



Azure Power India Private Limited

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(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
24. Finance cost		
Interest expenses on financial liabilities measured at amortized cost		
- Term loans	32,087	30,497
- Loans from related parties (refer note 27)	57,803	58,690
- Lease liabilities (refer note 34)	2,389	2,034
- Buyer's credit	4,623	110
Prepayment charges on repayment of term loans	7,958	2,569
Interest on delayed payment of statutory dues	239	-
Interest on delay in payment of income taxes	42	84
Other finance costs	2,003	1,298
Other borrowing costs	5,791	1,384
Total	1,12,935	96,666
25. Other expenses		
Power and fuel	20	88
Guest house expenses	205	91
Rent (refer note 34)	71	148
Rates and taxes	5,662	3,100
Insurance	2,100	1,533
Repair and maintenance		
-Plant and machinery	3,132	2,275
-Other	905	1,188
Travelling and conveyance	294	328
Communication costs	126	-
Legal and professional fees (Including payment to auditors)	2,372	1,791
Corporate social responsibilities	169	195
Operation and maintenance fees*	2	39
Provision for expected credit losses (refer note 8.1 and 40)	-	2,870
Recruitment expenses	550	-
Bad debts written off (refer note 40)	108	77
Security charges	2,192	2,108
Bank charges	84	133
Software maintenance charges	154	-
Advance written off	309	-
Asset written off (refer note 51)	5,022	-
Loss on cancellation of hedge contract*	11,402	-
Loss on lease modification	-	62
Liquidation charges-for cancellation of contract (refer note 4A)	5,395	-
Foreign exchange fluctuation (net)	1,292	15
Loss on sale of property, plant and equipment	2,161	233
Land development charges	130	-
Tender and application fee	-	81
Loss on account of modification of contractual cash flows	1,977	-
Provision against impairment of assets	289	-
Miscellaneous expenses	1,451	1,932
Total	47,574	18,287

* Amount represents loss on cancellation of forward contracts taken for purchase of modules and invertors.



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2022**(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021*
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26. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity shareholders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity shareholders of the Company (after adjusting for interest on the convertible debentures and convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Profit/ (Loss) after tax for calculation of basic EPS	493	(42,483)
Profit/ (Loss) after tax for calculation of diluted EPS	493	(42,483)
Weighted average number of equity shares in calculating basic EPS	48,68,367	45,51,443
Weighted average number of shares in calculating diluted EPS	48,68,367	45,51,443
Basic Earning per share (In INR)	10.14	(933.40)
Diluted Earning per share (In INR)	10.14	(933.40)

*Refer note 46 for restatement.



27. Related party disclosures:

The list of related parties as identified by the management is as under:

Related parties where control exists

Holding Company:

Azure Power Global Limited

Key Managerial Personnel:

Mr. Ranjit Gupta (Chief Executive Officer and Director w.e.f. July 18, 2019 till April 26, 2022)
Mr. Harsh Dinesh Shah (Chief Executive Officer and Director w.e.f. August 05, 2022 till August 29, 2022)
Mr. Rupesh Agarwal (Chief Executive Officer and Director w.e.f. August 29, 2022 till July 10, 2023)
Mr. Sunil Kumar Gupta (Managing Director and Chief Executive Officer w.e.f. August 08, 2023)
Ms. Supriya Prakash Sen (Director w.e.f. August 01, 2020)
Mr. Rajendra Prasad Singh (Director till August 19, 2020)
Mr. Unnikrishnan Mangalath Sukumaranicker (Nominee Director w.e.f. August 19, 2020)
Mr. Sanjeev Aggarwal (Director till October 5, 2020)
Mr. Barney Sheppard Rush (Director till September 30, 2021)
Ms. Christine Ann Mcnamara (Director w.e.f. March 01, 2022 till June 26, 2023)
Ms. Delphine Voeltzel (Director w.e.f. May 11, 2022)
Mr. Richard Alan Rosling (Director from September 09, 2021 till October 11, 2023)
Mr. Sugata Sircar (Director w.e.f. October 01, 2022)
Mr. Jean Francois Joseph Boisvenu (Director w.e.f. April 24, 2023)
Mr. Richard Payette (Director w.e.f. July 01, 2023)
Mr. Deepak Malhotra (Director w.e.f. November 28, 2019 till October 29, 2023)
Mr. Cyril Sabastien Dominique Cabanes (Director till October 30, 2023)
Mr. Philippe Pierre Wind (Director w.e.f. October 31, 2023)
Mr. Jaime Garcia Nieto (Director w.e.f. December 01, 2023)
Mr. Pawan Kumar Agrawal (Chief Financial Officer w.e.f. March 15, 2019 upto December 31, 2023)
Mr. Kapil Sharma (Company Secretary)

Names of related parties with whom transactions have taken place during the year:

Fellow Subsidiary Company:

Azure Power Energy Limited
Azure Power Solar Energy Private Limited
Azure Power Rooftop Private Limited
Azure Power Rooftop (Genco) Private Limited
Azure Power Rooftop One Private Limited
Azure Power Rooftop Two Private Limited
Azure Power Rooftop Three Private Limited
Azure Power Rooftop Four Private Limited
Azure Power Rooftop Five Private Limited
Azure Power Rooftop Eight Private Limited
Azure Power Rooftop Nine Private Limited

Entity having significant influence:

International Finance Corporation (till August 6, 2021)*

Associate Company:

Waaree Power Private Limited
Premier energies International Private Limited (Earlier known as Azure Power Fifty Five Private Limited)

*During the year ended March 31, 2022 International Finance Corporation sold its entire stake of Azure Power Global Limited to OMERS Infrastructure.





27. Related party disclosures:

1. Following transactions were carried out with related parties in the ordinary course of business:

Nature of transaction	Key management personnel		Holding company/ Entity having significant influence		Fellow Subsidiary Company/Associate Company	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Nature of transaction						
a) Settlement of liabilities on behalf of the entity						
Azure Power Global Limited	-	-	-	172	-	-
Azure Power Rooftop Five Private Limited	-	-	-	-	-	-
Azure Power Rooftop Eight Private Limited	-	-	-	-	1	1
Azure Power Energy Private Limited	-	-	-	-	5	-
Azure Power Solar Energy Private Limited	-	-	-	-	95	-
Mr. Ranjit Gupta (Chief Executive Officer and Director)	2	2	-	-	-	-
Mr. Pawan Kumar Agrawal (Chief Financial Officer)	2	2	-	-	-	-
Mr. Murali Subramanian	-	-	-	-	-	-
Mr. Kapil Sharma (Company Secretary)	6	6	-	-	-	-
b.) Settlement of liabilities by the entity on behalf of						
Azure Power Global Limited	-	-	486	-	-	-
Azure Power Rooftop Private Limited	-	-	-	-	92	84
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	6	2
Azure Power Rooftop One Private Limited	-	-	-	-	3	1
Azure Power Rooftop Three Private Limited	-	-	-	-	2	-
Azure Power Rooftop Four Private Limited	-	-	-	-	1	1
c.) Management fees						
Azure Power Global Limited	-	-	492	-	-	-
Azure Power Rooftop Three Private Limited	-	-	-	-	3	-
d.) Balances written back (net)						
Azure Solar Solutions Private Limited	-	-	-	-	955	-
Azure Renewable Energy Private Limited	-	-	-	-	-	-
Azure Sunlight Private Limited	-	-	-	-	1	-
Azure Power Thirty Eight Private Limited	-	-	-	-	2	-
Azure Power Forty Four Private Limited	-	-	-	-	179	-
Azure Power Mercury Private Limited	-	-	-	-	120	-
Azure Power Energy Private Limited	-	-	-	-	170	-
e.) Investments in associates						
Premier emerges International Private Limited	-	-	-	-	(329)	-
f.) Key managerial personnel remuneration						
Mr. Ranjit Gupta	-	-	-	-	937	-
- Short term employee benefits	412	458	-	-	-	-
- Stock Appreciation Right	(1,962)	6,491	-	-	-	-
Mr. Murali Subramanian	-	-	-	-	-	-
- Short term employee benefits	173	-	-	-	-	-
- Stock Appreciation Right	(1,772)	6,694	-	-	-	-
Mr. Pawan Kumar Agrawal	-	-	-	-	-	-
- Short term employee benefits	264	360	-	-	-	-
- Employee stock option	163	164	-	-	-	-
g.) Borrowings taken						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	35	-
h) Interest expense on borrowings						
Azure Power Energy Limited	-	-	-	-	30,336	32,542



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(INR amount in lakhs, unless otherwise stated)



Nature of transaction	Key management personnel		Holding company/ Entity having significant influence		Fellow Subsidiary Company/Associate Company	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Azure Power Solar Energy Private Limited	-	-	-	-	27,233	26,048
Azure Power Rooftop Private Limited	-	-	-	-	12	16
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	3	-
International Finance Corporation	-	-	-	104	-	-
i) Loan given						
Azure Power Rooftop Private Limited	-	-	-	-	1,300	5,247
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	225	-
Azure Power Rooftop One Private Limited	-	-	-	-	252	-
Azure Power Rooftop Three Private Limited	-	-	-	-	67	-
Azure Power Rooftop Four Private Limited	-	-	-	-	105	-
Azure Power Rooftop Five Private Limited	-	-	-	-	100	-
Azure Power Rooftop Eight Private Limited	-	-	-	-	15	-
j) Loan repaid						
Azure Power Rooftop Private Limited	-	-	-	-	410	2,055
Azure Power Rooftop Four Private Limited	-	-	-	-	-	11
k) Repayment of borrowings						
Azure Power Rooftop Private Limited	-	-	-	-	150	4
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	-	1
International Finance Corporation	-	-	-	92	-	-
l) Interest income						
Azure Power Rooftop Private Limited	-	-	-	-	721	472
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	8	-
Azure Power Rooftop One Private Limited	-	-	-	-	12	-
Azure Power Rooftop Three Private Limited	-	-	-	-	3	-
Azure Power Rooftop Four Private Limited	-	-	-	-	2	1
Azure Power Rooftop Five Private Limited	-	-	-	-	4	-
2. Balances outstanding at the end of the year						
Nature of transaction	Key Management Personnel		Holding company/ Entity having significant influence		Fellow Subsidiary Company/Associate Company	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a) Trade receivable						
Azure Power Rooftop Three Private Limited	-	-	-	-	24	23
b) Contractually reimbursable from related parties						
Azure Power Global Limited	-	-	-	6	-	-
Azure Power Rooftop Private Limited	-	-	-	-	3,718	3,645
Azure Power Rooftop One Private Limited	-	-	-	-	37	34
Azure Power Rooftop Two Private Limited	-	-	-	-	2	2
Azure Power Rooftop Three Private Limited	-	-	-	-	12	8
Azure Power Rooftop Four Private Limited	-	-	-	-	6	5
Azure Power Rooftop Five Private Limited	-	-	-	-	9	8
Azure Power Solar Energy Private Limited	-	-	-	-	85	7
Azure Power Energy Limited	-	-	-	-	17	1



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(INR amount in lakhs, unless otherwise stated)

c). Payable	Key Management Personnel		Holding company/ Entity having significant influence		Fellow Subsidiary Company/Associate Company	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Azure Power Rooftop Private Limited	-	-	-	-	70	62
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	267	274
Azure Power Energy Limited	-	-	-	-	7	1
Azure Power Global Limited	-	-	158	669	-	-
Mr. Indiprest Singh Wadhwa (Former Director) (refer note 35)	-	334	-	-	-	-
d). Borrowing taken						
Azure Power Energy Limited***	-	-	-	-	-	-
Azure Power Solar Energy Private Limited***	-	-	-	-	2,86,755	3,16,385
Azure Power Rooftop Private Limited	-	-	-	-	2,44,477	2,43,284
International Finance Corporation	-	-	-	808	-	150
e). Interest payable on borrowings						
Azure Power Energy Limited	-	-	-	-	2,556	12,146
Azure Power Solar Energy Private Limited	-	-	-	-	6,606	6,671
Azure Power Rooftop Private Limited	-	-	-	-	-	56
International Finance Corporation	-	-	-	20	-	-
f). Loan to related party						
Azure Power Rooftop Private Limited**	-	-	-	-	7,108	6,218
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	225	-
Azure Power Rooftop One Private Limited	-	-	-	-	252	-
Azure Power Rooftop Three Private Limited	-	-	-	-	67	-
Azure Power Rooftop Four Private Limited	-	-	-	-	105	-
Azure Power Rooftop Five Private Limited	-	-	-	-	100	-
Azure Power Rooftop Eight Private Limited	-	-	-	-	15	-
Nature of transaction	Key Management Personnel		Holding company/ Entity having significant influence		Fellow Subsidiary Company/Associate Company	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
g). Interest accrued on loans and advances						
Azure Power Rooftop Private Limited**	-	-	-	-	966	389
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	7	-
Azure Power Rooftop One Private Limited	-	-	-	-	14	3
Azure Power Rooftop Three Private Limited	-	-	-	-	3	-
Azure Power Rooftop Four Private Limited	-	-	-	-	2	1
Azure Power Rooftop Five Private Limited	-	-	-	-	3	-
h). Outstanding Corporate guarantees						
Azure Power Rooftop (Genco) Private Limited	-	-	-	-	6,571	6,571
Azure Power Rooftop One Private Limited	-	-	-	-	10,666	10,666
Azure Power Rooftop Three Private Limited	-	-	-	-	2,517	2,517
Azure Power Rooftop Five Private Limited	-	-	-	-	1,445	1,445
i). Payable for Cash-settled share-based payments						
Mr. Ranjit Gujra	4,281	6,242	-	-	-	-
Mr. Murali Subramanian	4,163	5,935	-	-	-	-

** Includes INR 410 lakhs for loans given and INR 19 lakhs for interest receivable as at March 31, 2021 related to held for sale entities
*** Excluding amortization of ancillary cost of borrowings.



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(INR amount in lakhs, unless otherwise stated)

Terms and conditions of transactions with related parties

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- Loans from/to related parties carry an interest rate of 6.95% - 10.60% p.a. and are repayable/receivable in accordance with the terms of the respective agreement.
- The Company has given corporate guarantee to the banks and financial institutions in respect of loan taken by the fellow subsidiaries (refer note 30).
- Azure Power Global Limited (holding Company) and Azure Power India Private Limited ("AZPI"), are respondents in arbitration proceedings initiated by the former Chairman, CEO and Managing Director of the Group, Mr. Indrepreet Singh Wadhwa ("IW") and former COO Mr. H.S Wadhwa ("HSW"), in relation to the purchase price of the shares of IW's and HSW's in AZI. The arbitration was conducted under the Singapore International Arbitration Centre (SIAC) Rules, with the seat of arbitration in Singapore and was decided in favor of AZI by way of award and it has filed enforcement petition before the High Court of Delhi. Management strongly believes in the merits of the case; however, an unfavorable outcome in these proceedings could potentially have a material adverse effect on the results of operations, cash flows and financial condition. As management believes it will be successful in the arbitration, the Group has not accrued any amount with respect to this arbitration in its standalone financial statements. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 5, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in our favour has been upheld. We have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed by the Hon'ble High Court till date. This matter is next listed for hearing on February 14, 2024.
- During the current year the company has invested INR 937 lakhs (previous year INR Nil) in Premier Energies International Private Limited (a associate company) pursuant to Module Supply Agreement. (refer note 42)
- On April 26, 2022, the Company through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr. Ranjit Gupta (CEO) and Mr. Murali Subramanian (COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect.



28. Share-based payment

(i) Employee Stock Option Plans (ESOPs)

ESOPs are issued by Azure Power Global Limited (Holding Company) to the employees of the Company and some entities forming part of the Group. As per Ind AS 102, *Share-based Payment*, the Company adopts fair valuation model for calculating its expense under ESOP's. ESOP gives an employee a right to purchase equity shares of Azure Power Global Limited at exercise price.

Description of terms and conditions of grant

Method of valuation of grants

Ind AS 102 requires adoption of graded vesting mechanism. Accordingly the stock compensation expense is computed separately for each tranche. The fair value of the share options is estimated at the grant date using a Black Scholes option pricing Model taking into account the terms and conditions upon which the share options were granted considering the following inputs:-

Particulars	March 31, 2022	March 31, 2021
Exercise Price	1,430	1466
Expected Volatility	46.34%- 47.84%	33.95% - 45.6%
Expected life of options granted in years	3.58- 5.08	3.7 - 7.42
Dividend yield (%)	0%	0%
Risk-free Interest Rate	0.55%- 0.80%	0.49% - 1.01%

The details of activity have been summarized below:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	7,03,708	1,217	8,70,065	756
Granted during the year	24,205	1,583	4,43,772	1,466
Forfeited during the year	(32,474)	1,608	(75,837)	861
Exercised during the year	(1,36,611)	824	(5,45,212)	709
Converted from RSU*	-	-	10,920	-
Outstanding at the end of the year	5,58,828	1,314	7,03,708	1,217
Exercisable at the end of the year	2,50,784	1,127	2,31,712	852

* During the year, the Company has converted RSU issued to its Board members into Restricted Shares (RS) at the then current share price on the date of conversion to be settled into equity shares of the Company.

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

Incremental fair value recognized as an expense over the remaining period of service condition. In case of already vested options, incremental fair value recognized immediately. Any decrease in fair value of options is not accounted for.

The Group recognizes ESOP cost in the consolidated statement of profit and loss, except the cost of services which is initially capitalized by the Group as part of the cost of property, plant and equipment and corresponding increase in equity as a contribution from holding company.

	March 31, 2022	March 31, 2021
Expense arising from equity-settled share-based payment transactions	928	397
Amount of expense capitalized	-	44
Total increase in equity arising from equity-settled share-based payment transactions	928	441

(ii) Stock Appreciation Rights (SARs)

The Company granted incentive compensation in the form of Stock Appreciation Rights ("SARs"), as defined in the APGL 2016 Equity Incentive Plan, as amended in 2020, to its erstwhile CEO and COO. The SARs have been granted in 3 tranches with maturity dates up to March 31, 2028.

The fair value of the share options is estimated at the grant date using a Black Scholes Option Pricing Model taking into account the terms and conditions upon which the SARs were granted considering the following inputs:-

	March 31, 2022	March 31, 2021
Exercise Price	1,411	2056
Share price at measurement date (INR per share)	1,261	1,999
Expected Volatility	49.03% - 61.04%	45.2% - 45.64%
Expected life of SAR granted in years	2.21-5.38	3.71 - 5.21
Dividend yield (%)	0%	0%
Risk-free Interest Rate	2.36% - 2.49%	0.63% - 1.01%

The details of activity have been summarized below:

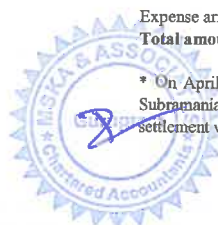
	As at March 31, 2022		As at March 31, 2021	
	No. of options	Weighted average exercise price (INR)	No. of options	Weighted average exercise price (INR)
Outstanding at the beginning of the year	18,75,000	810	19,70,000	752
Granted during the year	-	-	80,000	2,056
Exercised during the year	-	-	(1,75,000)	722
Outstanding at the end of the year	18,75,000	810	18,75,000	810
Vested at the end of the year	6,80,000	805	4,17,500	757
Exercisable at the end of the year	130,000*	1,154	67,500	940

Effect of the stock appreciation rights on the statement of profit and loss account and on its financial position:

The Group recognizes SAR cost in the consolidated statement of profit and loss, except the cost of services which is initially capitalized by the Group as part of the cost of property, plant and equipment and corresponding increase in liability for cash-settled share-based payments.

	March 31, 2022	March 31, 2021
Expense arising from cash-settled share-based payment transactions	(3,735)	13,186
Total amount of liability arising from cash settled share-based payment transactions	(3,735)	13,186

* On April 26, 2022, the Company through its Board of Directors ("BOD") has accepted the resignations of erstwhile Mr. Ranjit Gupta (erstwhile CEO) and Mr. Murali Subramanian (erstwhile COO) of the Company. Both of the KMP's were relinquished from their roles with the Company/ Group with immediate effect. Since the full and final settlement with KMP's are still in process, hence company has not adjusted the liabilities payable considering the event as non-adjusting.



Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

29. Segment information

The Group activities mainly involve sale of electricity. Considering the nature of Group's business and operations, there are no separate reportable operating segments in accordance with the requirements of Indian Accounting Standard 108, 'Operating Segments' referred in to Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The Group's principal operations, revenue and decision-making functions are located in India and significant there are no revenue and non-current assets outside India.

Information about revenue from major customers who contributed 10% or more relating to revenue from sale of power:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Power:		
Solar Energy Corporation of India	55,219	33,518
National Thermal Power Corporation Limited	21,725	21,918
Punjab State Power Corporation Limited	19,774	20,512
Gujarat Urja Vikas Nigam Limited	16,344	16,985

30. Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

The following table provides information about trade receivables, contract assets and deferred revenue as at March 31, 2022 and March 31, 2021.

	March 31, 2022	March 31, 2021
Non current assets		
Contract assets*	5,750	3,449
Trade receivables	32,150	-
Current assets		
Trade receivables	58,347	48,831
Contract assets*	164	61
Non current liabilities		
Deferred revenue	36,620	6,766
Deferred viability gap funding income	17,532	16,766
Current liabilities		
Deferred revenue on SGD receivable	1,334	-
Deferred viability gap funding income	1,055	1,100

* Includes amounting to INR 3,381 lakhs (March 31, 2021: 1,219 lakhs) liquidated damages incurred by the Group on account of delay in commissioning of projects which are considered as variable consideration by the Group and hence, amortised over the period of Power Purchase Agreement i.e. 25 years as per requirement of Ind AS 115.

Reconciliation of the amount of revenue recognised in statement of profit and loss with the contracted price:

Particulars	March 31, 2022	March 31, 2021
Revenue as per Contracted price	1,82,161	1,49,995
Adjustments for:		
Rebate/Discount	(1,450)	(1,025)
Amortisation of contract assets	(409)	(3)
Amortisation of contract liabilities	531	310
Revenue from contract with customers	1,80,833	1,49,277

Movement of Contract Assets

Particulars	March 31, 2022	March 31, 2021
Opening Balance	3,510	3,297
Addition during the year	2,574	-
Revenue recognised/ (reversed) during the year	(409)	(3)
Adjustment due to revenue straightlining	239	216
Closing Balance	5,914	3,510

Movement of Contract liabilities

Particulars	March 31, 2022	March 31, 2021
Opening Balance	24,632	21,946
Addition during the year	31,712	2,364
Revenue recognised during the year	(531)	(310)
Adjustment due to revenue straightlining	728	632
Closing Balance	56,541	24,632



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2022**

(All amounts in INR lakhs, unless otherwise stated)

31. Capitalization of expenditure (net)

During the year, the Group had capitalized the following expenses to the cost of Capital Work in progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the respective companies under Group:-

Particulars	March 31, 2022	March 31, 2021
Salaries, wages and bonus	2,296	2,512
Finance cost	13,972	1,971
Depreciation on right of use assets	302	881
Project development expenses	4,819	74
Legal and professional expenses	562	476
Security and supervision charges	263	122
Bank Charges	2,459	2,203
Travelling expenses	229	158
Insurance expenses	351	179
Interest on lease liability	779	1,268
Lease rent	682	-
Other expenses	6,576	1,732
Interest income	(1,455)	(1,304)
Loss on cancellation of hedge contract	1,355	-
Total	33,190	10,272

32. Financial Guarantees

The Group has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its fellow subsidiaries. In accordance with the policy of the Group (refer note 2.2 (I)). The Group has designated such guarantees as "Insurance Contracts". The Group has classified financial guarantees as Contingent Liabilities. Accordingly, there are no assets and liabilities recognized in the balance sheet under these contracts.

Company Name	As at March 31, 2022	As at March 31, 2021
Azure Power Rooftop (Genco) Private Limited	6,571	6,571
Azure Power Rooftop One Private Limited	10,666	10,666
Azure Power Rooftop Three Private Limited	2,517	2,517
Azure Power Rooftop Five Private Limited	1,445	1,445

Also refer note 27.



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2022**

(All amounts in INR lakhs, unless otherwise stated)

33. Capital and other commitments

(i) The Group has commitments of INR 12,117 lakhs (net of advances) (March 31, 2021: INR 125,593 lakhs (net of advances)) for purchases of assets for the construction of solar power plants.

(ii) The Parent company and its subsidiaries have entered in to Power Purchase Agreement (PPA) with following parties:

Name of Authority	Agreement date	Rate	Period*
Torrent Power Limited	April 20, 2012	11.21 kw/h	25 Years
NTPC Vidyut Vyapar Nigam Limited	October 15, 2010	17.91 kw/h	25 Years
Solar Energy Corporation of India	March 28, 2014	5.45 kw/h	25 Years
Solar Energy Corporation of India	March 28, 2014	5.45 kw/h	25 Years
Bangalore Electricity Supply Company	January 18, 2014	7.47 kw/h	25 Years
Gujarat Urja Vikas Nigam Limited	April 30, 2010	15 kw/h	12 Years
Gujarat Urja Vikas Nigam Limited	April 30, 2010	5 kw/h	13 Years
NTPC Vidyut Vyapar Nigam Limited	October 15, 2011	11.94 kw/h	25 Years
NTPC Vidyut Vyapar Nigam Limited	January 25, 2011	8.21 kw/h	25 Years
Bihar State Power (Holding) Company Limited	January 17, 2015	8.39 kw/h	25 Years
Solar Energy Corporation of India	February 5, 2015	5.45 kw/h	25 Years
Punjab State Corporation Limited	March 31, 2015	7.33 kw/h	25 Years
Punjab State Corporation Limited	March 31, 2015	7.19 kw/h	25 Years
Southern Power Distribution Company of Andhra Pradesh Limited**	December 5, 2014	6.63 kw/h	25 Years
Gulbarga Electricity Supply Corporation Limited ,Kalaburgi	January 23, 2015	6.51 kw/h	25 Years
Hubli Electricity Supply Company Limited	January 9, 2015	6.51 kw/h	25 Years
Chamundeshwari Electricity Supply Corporation Limited	January 2, 2015	6.51 kw/h	25 Years
Punjab State Corporation Limited	February 3, 2017	5.62 kw/h	25 years
Punjab State Corporation Limited	February 3, 2017	5.63 kw/h	25 years
Punjab State Corporation Limited	February 3, 2017	5.64 kw/h	25 years
Solar Energy Corporation of India	March 28, 2014	5.45 kw/h	25 Years
Uttar Pradesh Power Corporation Ltd., Lucknow	December 27, 2013	8.99 kw/h	12 Years
Punjab State Power Corporation Ltd.	December 27, 2013	7.67 kw/h	25 Years
Punjab State Power Corporation Ltd.	December 27, 2013	7.97 kw/h	25 Years
Punjab State Power Corporation Ltd.	December 27, 2013	8.28 kw/h	25 Years
Solar Energy Corporation of India	October 14, 2015	5.43 kw/h	25 Years
Bangalore Electricity Supply Company	September 27, 2014	6.66 kw/h	25 Years
Chhattisgarh State Power Distribution Company Limited	August 1, 2014	6.44 kw/h	25 Years
NTPC Limited	April 19, 2016	5.12 kw/h	25 Years
Chhattisgarh State Power Distribution Company Limited	September 1, 2014	6.45 kw/h	25 Years
Chhattisgarh State Power Distribution Company Limited	September 15, 2014	6.46 kw/h	25 Years
NTPC Limited	April 29, 2016	4.78 kw/h	25 Years
The Green Energy Development Corporation of Odisha Limited	July 30, 2016	5.69 kw/h	25 Years
Ordnance Factory, Bhandra	May 3, 2016	5.50 kw/h	25 Years
Ordnance Factory, Ambajhari	May 3, 2016	5.31 kw/h	25 Years
Solar Energy Corporation of India Limited	October 21, 2016	4.43 kw/h	25 Years
Delhi Metro Rail Corporation Limited	April 19, 2016	5.55 kw/h	25 Years
Solar Energy Corporation of India Limited	September 26, 2016	4.43 kw/h	25 Years
NTPC Limited	August 10, 2016	4.67 kw/h	25 Years
Gujarat Urja Vikas Nigam Limited	October 24, 2017	2.67 kw/h	25 Years
Delhi Jal Board	December 21, 2016	4.94 kw/h	25 Years
Indian Railways	April 2017	4.58-4.98 kw/h	25 Years
Solar Energy Corporation of India	April 27, 2018	2.48 kw/h	25 Years
Bangalore Electricity Supply Company Limited	April 20, 2018	2.93/kwh	25 Years
Hubli Electricity Supply Company Limited	April 20, 2018	2.93/kwh	25 Years
Maharashtra State Electricity Distribution Company Limited	July 30, 2018	2.72/kwh	25 Years
Assam Power Distribution Company Limited	June 25, 2018	3.17-3.70/kwh	25 Years
Solar Energy Corporation of India Limited	October 31, 2018	2.53/kwh	25 Years
Solar Energy Corporation of India Limited	September 17, 2019	2.58/kwh	25 Years
Solar Energy Corporation of India Limited	November 27, 2019	2.54/kwh	25 Years
Solar Energy Corporation of India Limited- Manufacturing linked 4 GW project	November 11, 2021	2.54/kwh	25 Years
Solar Energy Corporation of India Limited- Manufacturing linked 4 GW project	November 17, 2021	2.54/kwh	25 Years
Solar Energy Corporation of India Limited- Manufacturing linked 4 GW project (refer note 52)	December 16, 2021	2.42/kwh	25 Years

*The period starts from date of commissioning of the project.

** The tariff for the project is INR 5.89 per kWh for first year, increasing by 3% each year from the second year to the tenth year and thereafter with the same tariff as that in year ten for the remainder of the 25-year term. The tariff is INR 6.63 per kWh as at March 31, 2022 after considering the escalations.



Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

34. Leases

Group as lessee:

The Group leases land for construction of solar power plants. These leases typically run for 25-30 years which is further extendable on mutual agreement by both lessor and lessee. Additionally the Group leases land for building space to be used as corporate office. The period of the lease for the same is 9 years.

Information about the leases for which the Group is a lessee is presented below:

i) Right-of-use assets:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021*
Opening balance	45,684	49,994
Additions during the year	6,559	4,424
Lease modification during the year	-	(5,535)
Depreciation for the year#	(2,059)	(1,766)
Assets classified as held for sale	(14)	(1,433)
Closing balance	50,170	45,684

*Refer note 46 and 47 for restatement and reclassification respectively.

Including capitalization of INR 302 lakhs during the year (March 31, 2021: INR 881 lakhs).

ii) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movement during the year:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	32,450	36,249
Additions during the year	2,569	3,627
Lease modification during the year	-	(5,948)
Accretion of interest#	3,158	3,302
Payments	(3,095)	(3,304)
Liabilities held for sale	(20)	(1,476)
Closing balance	35,062	32,450

Including capitalization of INR 779 lakhs during the year (March 31, 2021: INR 1,268 lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current	2,999	2,708
Non-current	32,063	29,742
Total	35,062	32,450

Below are the amounts recognized by the Group in the statement of profit and loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021*
Interest on lease liabilities	2,389	2,034
Depreciation of right-of-use assets	1,400	1,455
Net Gain on lease modification	-	413
Expenses relating to short-term leases	71	148
Total	3,860	4,050

*Refer note 46 and 47 for restatement and reclassification respectively.

Below is the amount recognized by the Group in the statement of cash flows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total cash outflow for leases#	5,685	3,304

Including amount paid for land use rights during the year INR 2,590 lakhs (March 31, 2021: INR Nil).

The maturity analysis of leases is disclosed in note 40. The weighted average incremental borrowing rate applied to lease liabilities is 10%. The Group has applied single discount rate to a portfolio of leases of similar assets in similar economic environment with similar end date.

Extension options:

Lease contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only on mutual agreement. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.



Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

35. Contingencies

a. Contingent liabilities:

(i) Guarantees, letter of credit and counter guarantees given by the Group amounting to INR 83,316 lakhs (March 31, 2021: INR 96,063 lakhs).

(ii) As at March 31, 2022, the Company has outstanding demand for liquidation damages totaling INR Nil (March 31, 2021: 3,504 lakhs) for projects completed beyond the contractually agreed dates. In August 2021, Company has received a favourable order from the Appellate Tribunal for Electricity ("APTEL") of ongoing litigation with customer, where APTEL had set aside the order of Karnataka Regulatory Commission ("KERC"), wherein the KERC had reduced extension of time, reduced the PPA tariff and imposed liquidated damages. Subsequently, the customer has filed an appeal with Supreme Court against the order, which was later admitted the appellate authority. The management believes the reason for delay were not attributable to the Company, based on advice from its legal advisors and the facts underlying the Company's position, and therefore management, believes that the Company will ultimately not be found liable for these assessments and has not accrued any amount with respect to these matters in its financial statements.

(iii) Viability gap funding represents the amount already received which the government agencies can demand repayment of, in case the project fails to generate power for a longer period of time. Below mentioned amounts relate to the period for which the Group is yet to fulfil the conditions under the agreements.

Particulars	March 31, 2022	March 31, 2021
Viability Gap Funding (VGF)	18,059	19,548

b. Pending litigations:

i) During the earlier years, the Group had received a demand of INR 1,200 lakhs (INR 1,200 lakhs as at March 31, 2021) related to services tax assessment from Financial Year 2014-15 to 2016-17. The Group is contesting the demand and is confident that there should not be a tax outflow related to this claim.

ii) The Group had two outstanding disputes with its erstwhile Chief Executive Officer, Mr. Inderpreet Singh Wadhwa (IW). During the current year, the Group has received an unfavourable Award from the Mumbai Centre for International Arbitration in relation to Mr. Wadhwa's transition from the Group, and subsequently made payments as required in the Award, without prejudice to its rights.

In respect of second matter, during the current year the Group received a favourable Award from Singapore International Arbitration Centre in relation to the purchase price of shares, held by Mr. Inderpreet Singh Wadhwa and Mr. H. S. Wadhwa (HSW) (erstwhile Chief Operating Officer), in Azure Power India Private Limited. Subsequently, IW and HSW filed an appeal challenging the SIAC award on May 05, 2022, before the Singapore High Court. However, vide order dated June 29, 2022, the appeal filed by IW and HSW has been dismissed. Consequently, the Award in our favour has been upheld. We have filed a petition before the High Court of Delhi seeking enforcement of the Award. There is no adverse order passed by the Hon'ble High Court till date. This matter is next listed for hearing on February 14, 2024.

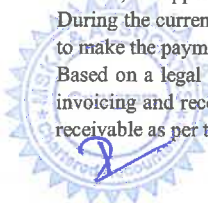
iii) A Public Interest Litigation ("PIL") had been initiated by certain individuals claiming to be wildlife experts/interested in conservation of wildlife, before the Supreme Court of India against various state governments such as Rajasthan, Gujarat, and MNRE, MOP among others, seeking protection of the two endangered bird species, namely the GIB and the Lesser Florican found in the states of Rajasthan and Gujarat. The Supreme Court by way of order dated April 19, 2021 issued directions to: (i) underground all low voltage transmission lines, existing and future lines falling in potential and priority habitats of GIB, (ii) to convert all existing high voltage lines in priority and potential areas of GIB where found feasible within a period of one year, if not found feasible, the matter to be referred to the committee formed by the Supreme Court which will take a decision on feasibility, and (iii) to install bird diverters on all existing overhead lines in the interim.

We and many other developers have projects in the potential area as determined by the court, hence aggrieved by the order, the Solar Power Developers Association ("SPDA") and Union of India have filed an application before the Supreme Court seeking among others, exemption from undergrounding of transmission lines in potential areas. The matter was last listed on November 30, 2022, whereby directions have been passed to parties to ensure installation of bird diverters in the Priority Area and for them to be in compliance with quality standards issued by the Supreme Court Committee. The PIL is presently pending. The SPDA has filed an application seeking modification of Supreme Court's order dated April 19, 2021. If the modification application is dismissed, we might entail significant costs and delays. Based on evaluation of management the capital outflow for acquisition and installation of bird divertors are not material.

iv) In relation to one of the group entity's 50 MWs project (Azure Power Fifty Four Private Limited,) in Andhra Pradesh, the DISCOM, Andhra Pradesh Distribution Company ("APDC"), had issued a letter to the entity requesting the reduction of quoted tariff to INR 2.44 per unit as against the PPA rate of INR 5.89 per unit for solar projects from the date of commissioning and threatened termination of the PPA in case of refusal to accede to such reduction ("Letter"). The Company had challenged the Letter in the High Court at Vijayawada. The High Court vide its judgment dated September 24, 2019, whilst quashing the aforesaid Letter and directed DISCOM to approach the Andhra Pradesh Electricity Regulatory Commission ("APERC") for reduction of tariff by directing DISCOM to make payment of outstanding and future invoices at the "interim" rate of Rs. 2.44/- per unit, until the dispute is resolved by APERC. Accordingly, the Company has filed a writ petition challenging the Judgment, whereby the Company has inter alia sought: (i) setting aside of the Judgment to the limited extent of the direction to Discoms to make payment at the "interim" rate of Rs. 2.44 per unit and the implied blessing granted by the High Court to approach the APERC for reduction of tariff; and (ii) quashing of all actions undertaken by the respondents and/or restrain the respondents from taking any action seeking reduction of tariff under the concluded PPA and/or unilateral alteration of the terms of such PPA, pursuant to the directions in the Judgment, including quashing of the proceedings. Further, the appellate authority during several hearings had directed the DISCOM to remit the overdue receivables at interim rate.

During the current year on March 15, 2022, High court of Andhra Pradesh, Amaravati has passed an order in favour of the Company and has directed the discom to make the payments of arrears with within six weeks from the date of this order, at the original rate of INR 5.89 per unit mentioned in PPAs.

Based on a legal opinion obtained by the management and based on favourable order passed from the appellate authority on the above matter, the Company is invoicing and recognizing revenue as per the PPA and reports the receivables as recoverable. The Company has recognized allowance for doubtful debts on this receivable as per the expected credit loss model pending receipt of dues.



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2022**

(All amounts in INR lakhs, unless otherwise stated)

(v) During the previous year, Azure Power India Private Limited (“AZI”) filed petition with Central Electricity Regulatory Commission (“CERC”) seeking directions from CERC to Power Grid Corporation of India Limited (“PGCIL”) to extend the long-term open access start date under the Long Term Access Agreement executed by AZI and PGCIL to align the same with Scheduled Commercial Operation Dates (“SCODs”) of the Group and extend the deadline for completion of the dedicated transmission line and pooling substation under the Transmission Agreement between AZI and PGCIL to appropriately align the same with the SCODs and not to take any coercive action against the Petitioners including but not limited to imposition of charges on account of operationalization of LTA.

Subsequent to the year end in December 2022, the Group received an unfavourable order from CERC, whereby CERC has disallowed the petition in line with the order dated May 23, 2022, in Petition No. 525/MP/2020 in which the Commission has already inter alia held that the waiver from transmission charges under Ministry of Power orders apply after the COD of the generating station and does not provide any exemption from payment of charges before COD. The Group is in process of evaluating to file an appeal before the appellate authority. The Group is expecting to receive requisite waivers over-due course resulting thereto no financial impact is being taken in books of account.

36. Derivative instruments and hedging activities**Contract designated as cash flow hedge:**

During financial year 2018-19 and 2019-20, the Group entered into buyer’s credit facility amounting to US\$ 228.01 Lakhs and US\$ 345.80 Lakhs, respectively, at six months LIBOR plus 0.5% spread, for its 200 MW solar power project. The Group has taken USD/INR currency swap for its principal and interest payment. As per this swap arrangement, the Group pays fixed INR and receive USD and pays fixed interest ranging between 8.11% to 8.12%, for respective buyers’ credit and receives a variable interest at six months LIBOR plus 0.5% on the US\$ notional amount. The facility is repayable starting from September 2021 till April 2022. During the year, this facility has been repaid in the current year.

During financial year 2020-21, the Group took a long term borrowing amounting to US\$ 930 Lakhs, at LIBOR plus margin of 3.95% and the loan is repayable in 8 half yearly instalments commencing November 2021. The funds were provided to project SPVs as shareholder loans or through other instrument for capital expenditure or for payment of capital expenditure in respect of various specified projects. The Group has taken US\$ 930 Lakh currency swap for its principal and interest payment. As per this swap arrangement, the Group pays fixed INR and receive USD and pays fixed interest ranging between 9.10 to 10.20%, for these long term borrowing and receives a variable interest at six months LIBOR plus 3.95% on the US\$ notional amount. During the year, the Group has tested the effectiveness of the hedge relationship and the hedge was effective.

During the current year, the Group took long term borrowings, at LIBOR plus margin (basis each disbursement), repayable in quarterly instalments. The funds were raised for payment of capital expenditure in respect of the project. The Group has taken currency swap for its principal and interest payment. As per this swap arrangement, the Group pays fixed INR and receive USD and pays fixed interest, for these long term borrowing and receives a variable interest on the US\$ notional amount. During the year, the Group has tested the effectiveness of the hedge relationship and the hedge was effective.

The Group is exposed to changes in principal and interest cash flows on letter of credit discounted for buyer’s credit and long term foreign currency borrowings to be settled in USD. The Group has entered into forward contracts to hedge its exposure to foreign currency risk and interest volatility risk.

The risk management objective of the hedge arrangement is to reduce the variability in payment of foreign currency equivalent cash flows arising from repayment of principal and interest components. During the year, the group have tested the effectiveness of the hedge relationship and the hedge was effective.

The following table presents outstanding notional amount and balance sheet location information related foreign exchange derivative contracts as of March 31, 2022 and March 31, 2021.

Particulars	March 31, 2022	March 31, 2021
Notional Amount (USD lakhs denominated)	3,419	2,518
Non-current – Other financial assets (INR)	2,263	208
Current – Other financial assets (INR)	-	378
Non-current – Other financial liabilities (INR)	-	2,374
Current – Other financial liabilities (INR)	938	741



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2022**

(All amounts in INR lakhs, unless otherwise stated)

Contract designated as fair value hedge:

The Group hedged the exposure to fluctuations in the fair value of firm commitments denominated in foreign currency through forward exchange derivative contracts. Fair value adjustments related to non-financial instruments will be recognized in the hedged item upon recognition, and will eventually affect earnings as and when the hedged item is derecognized.

Changes in the fair value of derivatives designated and qualifying as fair value hedges, together with any changes in the fair value of the hedged firm commitments attributable to the hedged risk, will be recorded in in the consolidated balance sheet. The gain or loss on the hedging derivative in a hedge of a foreign-currency-denominated firm commitment and the offsetting loss or gain on the hedged firm commitment is recognized in earnings in the accounting period, post the recognition of the hedged item in the balance sheet. The forward exchange derivative contracts were not entered into for trading or speculative purposes.

The foreign exchange derivative contracts mature generally over a period of 3 months – 12 months.

The Group documented each hedging relationship and assessed its initial effectiveness on inception date and the subsequent effectiveness was tested as determined at the time of inception of the contract. The hedge contracts were effective as of March 31, 2022.

The following table presents outstanding notional amount and balance sheet location information related to foreign exchange derivative contracts designated as fair value hedge as of March 31, 2022 and March 31, 2021.

Particulars	March 31, 2022		March 31, 2021	
	Local Currency	INR	Local Currency	INR
Notional Amount (USD lakhs denominated)		157		2,651
Current – Other financial assets (INR)		134		8,763
Current – Other financial liabilities (INR)		134		8,763
Non-Current – Other financial liabilities (INR)		-		2,374

Particulars of un-hedged foreign currency exposure as at March 31, 2022 and March 31, 2021:

Particulars	March 31, 2022		March 31, 2021	
	Local Currency	INR	Local Currency	INR
Borrowings				
-USD	-	-	46.43	3,396
Trade payable				
-USD	8	622	562.76	41,386



37. Employee Benefits

(a) Defined contribution plan

The Group makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Group's contribution to the Employee Provident Fund is deposited with the Regional Provident Fund Commissioner.

The Group has recognized INR 274 lakhs (March 31, 2021: INR 240 lakhs) for provident fund contribution in the Statement of Profit and Loss. The contribution payable to the plan by the Group is at the rate specified in the rules to the scheme.

(b) Defined benefit plan

Gratuity and other post-employment benefits

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is unfunded and accrued cost is recognized through reserve in the accounts of the Group.

The following tables summaries the components of net benefit expense recognized in the profit and loss account and the unfunded status and amounts recognized in the balance sheet.

Statement of profit and loss

Amounts recognised in Statement of Profit & Loss for the year ended March 31, 2022

Particular	Gratuity	
	March 31, 2022	March 31, 2021
Current service cost	103	104
Interest cost on benefit liability	39	22
Total Expense	142	126

Amount recognized in Other Comprehensive Income for the year ended March 31, 2022

Particular	Gratuity	
	March 31, 2022	March 31, 2021
Effect of change in financial assumptions	24	(84)
Effect of change in demographic assumptions	-	(36)
Experience gains/ (losses)	(7)	85
Actuarial gain/ (loss) recognized in the year	17	(35)

Balance Sheet :

Particular	Gratuity	
	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	628	493

Changes in the present value of the defined benefit obligation are as follows:

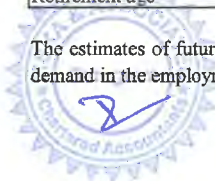
Particular	Gratuity	
	March 31, 2022	March 31, 2021
Present value of obligation as at the beginning of the year	493	309
Current service cost *	155	261
Interest cost *	39	22
Re-measurement (or Actuarial) (gain)/ loss	(17)	35
Benefits paid	(42)	(134)
Present Value of Obligation as at the end of the year	628	493
Current Liability	37	22
Non-Current Liability	591	471

* Expenditure amounting to INR 52 Lakhs (March 31, 2021: INR 157 lakhs) has been capitalized. Refer note 31.

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate (per annum)	7.42%	7.03%
Employee turnover rate (per annum)	9.00%	9.00%
Withdrawal rate (per annum)	9.00%	9.00%
Salary Escalation Rate (per annum)	10.00%	10.00%
Retirement age	58 years	58 years

The estimates of future salary increases considered in actuarial valuation taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2022**

(All amounts in INR lakhs, unless otherwise stated)

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- a) Discount rate- Increase/ reduction in discount rate in subsequent valuations can decrease/increase the liability.
 b) Salary escalation rate- Actual salary increases/decrease will increase/decrease the defined benefit liability. Increase/decrease in salary increase rate assumption in future valuations which in turn also increase/decrease the liability.
 c) Withdrawal rate- Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

Sensitivity analysis	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
Assumption	Discount rate		Discount rate	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	(55)	64	(44)	52

Sensitivity analysis	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
Assumption	Salary Escalation Rate		Salary Escalation Rate	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Defined benefit obligation increased/(decreased) by	64	(56)	52	(45)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not computed. Further, there are no changes in current year from the previous year in the methods and assumptions used in preparing the sensitivity analysis.

The Group does not have any plan assets. Group has sufficient balance of Cash and cash equivalent to fund the liabilities that may arise in near future.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.98 years (March 31, 2021: 13.64 years).

Expected maturity analysis of the defined benefit plans in the next ten years are as follows:

Particular	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	40	23
Between 2 and 5 years	185	138
Between 5 and 10 years	303	238

Expected contributions to post-employment benefit plans for the year ending March 31, 2023 are INR 817 lakhs.



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

38. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets carried at amortized cost				
Security deposits	651	297	651	297
Trade receivables (Non- current)	32,150	-	32,150	-
Performance bank guarantee receivable	284	251	284	251
Term deposits	49,112	45,451	49,112	45,451
Other receivables	6,065	-	6,065	-
	88,262	45,999	88,262	45,999
Financial assets measured at fair value				
Derivative instruments at fair value through other comprehensive income*	2,271	586	2,271	586
Total	2,271	586	2,271	586
Financial liabilities carried at fair value				
Derivative instruments at fair value through other comprehensive income*	938	3,219	938	3,219
Derivative instruments at fair value through profit and loss*	125	8,763	125	8,763
Cash-settled share-based payments at fair value through profit and loss (including current portion)****	8,444	12,177	8,444	12,177
Total	9,507	24,159	9,507	24,159
Financial liabilities carried at amortized cost				
Term loans from banks - In Indian currency ** (Including current maturities)	1,59,976	19,724	1,59,976	19,724
Term loans from financial institution - In Indian currency** (Including current maturities)	3,95,613	1,74,488	3,96,896	1,71,718
Term loans from financial institutions - In foreign currency ** (Including current maturities)	53,727	53,060	53,727	53,060
Foreign currency loan from bank *(Including current maturities)	14,332	58,093	14,332	58,093
Vehicle loan** (Including current maturities)	87	-	87	-
External commercial borrowings ***	2,36,696	2,04,867	2,49,785	2,12,693
Non-convertible debenture ***	2,94,331	3,30,479	3,28,877	3,89,796
Non-current loans from fellow subsidiaries ***	-	46,899	-	47,766
Total	11,54,762	8,87,610	12,03,680	9,52,850

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to fellow subsidiaries, loan to fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

The following methods and assumptions were used to estimate the fair values:

Measured at fair value:

* The Group enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign currency option derivatives are valued using valuation techniques, which employs the use of market observable inputs. The Group used the derivatives option pricing model based on the principles of the Black-Scholes model to determine the fair value of the foreign exchange derivative contracts. The inputs considered in this model include the theoretical value of a call option, the underlying spot exchange rate as of the balance sheet date, the contracted price of the respective option contract, the term of the option contract, the implied volatility of the underlying foreign exchange rates and the risk-free interest rate as of the balance sheet date.

**** Fair value of cash-settled share based payment is based on valuation as on reporting date.

At amortized cost:

** Fair value of long-term loan having floating rate of interest approximate the carrying amount of those loans as there was no significant change in the Group's own credit risk during the current year. Unamortised cost of borrowing has been adjusted with the closing balance of borrowings at the reporting date. Further, these amount also includes current portion of long term debt.

*** The fair values of the interest-bearing borrowings and loans of the Group are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2022 was assessed to be insignificant. Unamortised cost of borrowing has been adjusted with the closing balance of borrowings at the reporting date. Further, these amount also includes current portion of long term debt.



39. Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2022:

Carrying value	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets carried at amortised cost:			
Security deposits	651	-	651
Trade receivables	32,150	-	32,150
Performance bank guarantee receivable	284	-	284
Term deposits	49,112	-	49,112
Other receivables	6,065	-	6,065
Total	88,262	-	88,262
Financial assets measured at fair value:			
Derivative instruments at fair value through other comprehensive income	2,271	-	2,271
Total	2,271	-	2,271
Financial liabilities carried at fair value			
Derivative instruments at fair value	125	-	125
Cash-settled share-based payments at fair value through profit and loss (including current portion)	8,444	-	8,444
Total	9,507	-	9,507
Financial liabilities carried at amortised cost			
Term Loans from Banks - In Indian Currency (Including current maturities)	1,59,976	-	1,59,976
Term Loans from financial institution - In Indian Currency (Including current maturities)	3,95,613	-	3,96,896
Term Loans from financial institutions - In Foreign Currency (Including current maturities)	53,727	-	53,727
Foreign currency loan from bank (Including current maturities)	14,332	-	14,332
Vehicle loan (Including current maturities)	87	-	87
External commercial borrowings	2,36,696	-	2,49,785
Non-Convertible Debenture	2,94,331	-	3,28,877
Non-current loans from fellow subsidiaries	-	-	-
Total	11,54,762	-	12,03,680

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2021:

Carrying value	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets carried at amortised cost:			
Security deposits	297	-	297
Performance bank guarantee receivable	251	-	251
Term deposits	45,451	-	45,451
Total	45,999	-	45,999
Financial assets measured at fair value:			
Derivative instruments at fair value through other comprehensive income	586	-	586
Total	586	-	586
Financial liabilities carried at fair value			
Derivative instruments at fair value through other comprehensive income	3,219	-	3,219
Derivative instruments at fair value	8,763	-	8,763
Cash-settled share-based payments at fair value through profit and loss (including current portion)	12,177	-	12,177
Total	24,159	-	24,159



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2022**

(All amounts in INR lakhs, unless otherwise stated)

Carrying value	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities carried at amortised cost			
Term Loans from Banks - In Indian Currency (Including current maturities)	19,724	-	-
Term Loans from financial institution - In Indian Currency (Including current maturities)	1,74,488	-	-
Term Loans from financial institutions - In Foreign Currency (Including current maturities)	53,060	-	-
Foreign currency loan from bank (Including current maturities)	58,093	-	-
External commercial borrowings	2,04,867	-	-
Non-Convertible Debenture	3,30,479	-	-
Non-current loans from fellow subsidiaries	46,899	-	-
Total	8,87,610	-	-

There have been no transfers between Level 1 and Level 2 during the year.

The management assessed that the fair value of cash and cash equivalents, term deposits, interest accrued on term deposits, other bank balances, trade receivables, performance guarantee receivables, unbilled revenue, viability gap funding receivable (VGF), security deposits received, current borrowings, receivable/payable from/to fellow subsidiaries, loan to fellow subsidiaries, trade payables, other payables, derivative asset/liability and security deposits paid, as applicable, approximates their carrying amounts largely due to the short-term maturities of these instruments.



40. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents, deposits with banks and other financial assets.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment in mutual fund and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Financial instruments comprise of non-convertible debentures, loans to/from related parties which are fixed interest bearing whereas term loans from banks/financial institution are both fixed and floating interest bearing. Remaining financial assets and liabilities are non-interest bearing.

As at the reporting date, the Group's interest rate profiles is as follows:

As at March 31, 2022	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	1,53,147	1,68,980	3,22,127
Financial liabilities	5,95,482	5,59,194	1,84,314	13,38,990

As at March 31, 2021	Floating rate financial instruments	Fixed rate financial instruments	Non-interest bearing	Total
Financial assets	-	1,48,587	77,329	2,25,916
Financial liabilities	2,76,891	7,46,731	81,095	11,04,717

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial liabilities with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

		Increase/decrease in basis points		March 31, 2022		March 31, 2021
Effect on profit before tax	INR	+ / (-) 50	(-) / +	2,977	(-) / +	1,384

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment. Though there is exposure on account of interest rate movement as shown above but the Group minimises the foreign currency (US dollar) interest rate exposure through derivatives and INR interest rate exposure through re-financing.

Foreign currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk arising from changes in foreign exchange rates on foreign currency loan, derivative financial instruments and operating payables/receivables. The Group enters into foreign exchange derivative contracts to mitigate fluctuations in foreign exchange rates in respect of these loans.

The following table analyses foreign currency risk from financial instruments relating to US\$ as of March 31, 2022 and March 31, 2021:

	As at March 31, 2022	As at March 31, 2021
Borrowings		
Foreign currency loan from financial institutions and banks	1,38,420	1,11,153
Trade payable	622	41,386



Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate		March 31, 2022		March 31, 2021
	+ / (-) 5%	(-) / +	6,952	(-) / +	7,627
Effect on profit before tax					

As the Group has entered into foreign exchange derivatives contract to mitigate the foreign exchange fluctuation risk, these derivatives act as economic hedges and will offset the impact of any fluctuations in foreign exchange rates.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from their operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

Customer credit risk is managed on the basis of Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivable as high. However since the trade receivables mainly comprise of state utilities/government entities, the Group does not foresee any credit risk attached to receivables from such state utilities/government entities. The Group does not hold collateral as security.

Movement in expected credit loss on trade receivables during the year :

	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Opening balance	4,799	2,448
Changes in allowance for expected credit loss:		
Additional provision (net) towards credit impaired receivables	108	2,947
Provision written back during the year	(1,695)	(519)
Trade receivable written off during the year	(63)	-
Bad debts written off during the year	(108)	(77)
Held for Sale	(581)	-
Closing balance	2,460	4,799

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of Group to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.



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(All amounts in INR lakhs, unless otherwise stated)

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2022				
Non-current borrowings*	1,70,684	10,16,804	5,06,845	16,94,333
Lease liabilities	3,125	13,400	83,444	99,969
Current borrowings	1,53,306	-	-	1,53,306
Trade payables	12,212	-	-	12,212
Other financial liabilities**	42,150	42	-	42,192
	3,81,477	10,30,246	5,90,289	20,02,012
	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2021				
Non-current borrowings*	2,26,681	8,62,585	2,31,509	13,20,775
Lease liabilities	2,956	12,705	83,512	99,173
Current borrowings	89,432	-	-	89,432
Trade payables	7,777	-	-	7,777
Other financial liabilities**	52,080	13,531	-	65,611
	3,78,926	8,88,821	3,15,021	15,82,768

*Including interest on non-current borrowings

**Excluding interest accrued on borrowings.

41. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value and to ensure the Group's ability to continue as a going concern.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Group reviews the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.



Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2022

(INR amount in lakhs, unless otherwise stated)

42. Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Country of Incorporation /Principal place of business	% equity interest#	
		March 31, 2022	March 31, 2021
Subsidiaries			
Azure Power (Punjab) Private Limited	India	100%	100%
Azure Power (Haryana) Private Limited	India	99.17%	99.17%
Azure Solar Private Limited	India	92.31%	92.31%
Azure Power (Rajasthan) Private Limited	India	100%	100%
Azure Solar Solutions Private Limited**	India	-	100%
Azure Sun Energy Private Limited	India	100%	100%
Azure Urja Private Limited	India	73.80%	73.80%
Azure Surya Private Limited	India	67.33%	67.33%
Azure Power (Karnataka) Private Limited	India	58.87%	58.87%
Azure Photovoltaic Private Limited	India	100%	100%
Azure Power Infrastructure Private Limited	India	94.59%	94.59%
Azure Power (Raj.) Private Limited	India	100%	100%
Azure Green Tech Private Limited	India	100%	100%
Azure Renewable Energy Private Limited**	India	-	100%
Azure Clean Energy Private Limited	India	100%	100%
Azure Sunrise Private Limited	India	100%	100%
Azure Sunlight Private Limited**	India	-	100%
Azure Sunshine Private Limited	India	100%	100%
Azure Power Earth Private Limited	India	100%	100%
Azure Power Eris Private Limited	India	100%	100%
Azure Power Jupiter Private Limited	India	51.01%	51.01%
Azure Power Makemake Private Limited	India	100%	100%
Azure Power Mars Private Limited	India	100%	100%
Azure Power Mercury Private Limited**	India	51.40%	100%
Azure Power Pluto Private Limited	India	100%	100%
Azure Power Uranus Private Limited	India	100%	100%
Azure Power Venus Private Limited	India	100%	100%
Azure Power Saturn Private Limited**	India	51.40%	100%
Azure Power Thirty Three Private Limited	India	100%	100%
Azure Power Thirty Four Private Limited	India	100%	100%
Azure Power Thirty Five Private Limited	India	100%	100%
Azure Power Thirty Six Private Limited	India	100%	100%
Azure Power Thirty Seven Private Limited	India	99.84%	99.84%
Azure Power Thirty Eight Private Limited**	India	51%	100%
Azure Power Thirty Nine Private Limited**	India	100%	100%
Azure Power Forty Private Limited	India	100%	100%
Azure Power Forty One Private Limited	India	100%	100%
Azure Power Forty Two Private Limited	India	100%	100%
Azure Power Forty Three Private Limited	India	100%	100%
Azure Power Forty Four Private Limited**	India	51.40%	100%
Azure Power Forty Five Private Limited*	India	-	100%
Azure Power Forty Six Private Limited	India	-	100%
Azure Power Forty Seven Private Limited*	India	-	100%
Azure Power Forty Eight Private Limited*	India	-	100%
Azure Power Forty Nine Private Limited*	India	-	100%
Azure Power Fifty Private Limited*	India	-	100%
Azure Power Fifty One Private Limited	India	100%	100%
Azure Power Fifty Two Private Limited	India	100%	100%
Azure Power Fifty Three Private Limited	India	100%	100%
Azure Power Fifty Four Private Limited	India	100%	100%
Azure Power Maple Private Limited	India	100%	100%
Azure Power US Inc.	United States of America	100%	100%
Azure Power Fifty Five Private Limited***	India	-	100%
Azure Power Fifty Six Private Limited	India	100%	100%
Azure Power Fifty Seven Private Limited	India	100%	100%
Azure Power Fifty Eight Private Limited	India	100%	100%
Azure Power Fifty Nine Private Limited	India	100%	-
Azure Power Sixty Private Limited	India	100%	-
Azure Power Sixty two Private Limited	India	100%	-
Azure Power Sixty one Private Limited	India	100%	-
Azure Power Sixty Three Private Limited	India	100%	-
Azure Power Sixty Four Private Limited	India	100%	-
Kotuma Wind Parks Private Limited	India	100%	-
Two Wind Energy Private Limited	India	100%	-
Azure Green Hydrogen Private Limited	India	100%	-



Azure Power India Private Limited
Notes to consolidated financial statements for the year ended March 31, 2022
(INR amount in lakhs, unless otherwise stated)

Information about associates

The consolidated financial statements of the Group includes associate listed in the table below:

Name	Country of Incorporation /Principal place of business	% equity interest	
		March 31, 2022	March 31, 2021
Waaree Power Private Limited (refer note 4A)	India	26.00%	26.00%
Premier Energies International Private Limited (earlier known as Azure Power Fifty- Five Private Limited)***	India	26.00%	0.00%

The holding company

The holding Company of Azure Power India Private Limited is Azure Power Global Limited which is based in Mauritius.

* During the earlier year application had been made to the Registrar of Companies (ROC) for striking off the names of these entites from the register of companies maintained by ROC, approval for the same has been received during the current year.

** During the current year the Group has disposed of investments in rooftop subsidiaries as part of share purchase agreement. (also see note 45)

*** During the current year ended March 31, 2022, the Group has entered into a non-binding obligation with M/s Premier Energies limited ("Premier/ Manufacturer"), a solar module manufacturing company, relating to execution of tender received from SECI. The Company has invested INR 937 lakhs to acquire 26% of the equity shares of an entity, where Premier have invested in 74% of equity shares. Subsequent to the year end, the Group has entered into related module supply agreements and share and debentures subscription agreements with Premier.

Includes shareholding held by nominee shareholders.



43. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

(i) Revenue from Viability Gap Funding (VGF)

The Group records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF revenue is recognized as sale of power in proportion to the actual sale of solar energy kilowatts during the period to the total estimated sale of solar energy kilowatts during the tenure of the applicable power purchase agreement pursuant to the revenue recognition policy.

(ii) Classification of leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 28.

(ii) Taxes

Projects of Group qualify for deduction from taxable income because its profits are attributable to undertakings engaged in development of solar power projects under section 80-IA of the Indian Income Tax Act, 1961. This holiday is available for a period of ten consecutive years out of fifteen years beginning from the year in which the Group generates power ("Tax Holiday Period"), however, the exemption is only available to the projects completed on or before March 31, 2017. The Group anticipates that it will claim the aforesaid deduction in the last ten years out of fifteen years beginning with the year in which the Group generates power and when it has taxable income. Accordingly, its current operations are taxable at the normally applicable tax rates. Due to the Tax Holiday Period, a substantial portion of the temporary differences between the book and tax basis of the Group's assets and liabilities do not have any tax consequences as they are expected to reverse within the Tax Holiday Period.

(iii) Estimation of Defined Benefit Obligation

The cost of the defined benefit obligation and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 37.

(iv) Provision for decommissioning

The Group has recognized provisions for the future decommissioning of solar power plants set up on leased land at the end of the lease term. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the leased land and the expected timing of those costs. The carrying amount of the provision as at March 31, 2022 is INR 9,304 lakhs (March 31, 2021: INR 7,356 lakhs). The Group estimates that the costs would be settled upon the expiration of the lease and calculates the provision using the discounted cash flow method based on the following assumptions:

- ▶ Estimated range of cost per megawatt— INR 3.9 lakhs to 4.5 lakhs (March 31, 2021 - INR 3.9 lakhs to 4.5 lakhs)
- ▶ Discount rate – 8.5% p.a. (March 31, 2021: 6.9% p.a.)
- ▶ Inflation rate – 8.0% p.a. (March 31, 2021: 6.9 % p.a.)



(v) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Depreciation on property, plant and equipment

Depreciation on property plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and residual value of all of its property plant and equipment. The management believes that depreciation rates currently used fairly reflects its estimate of the useful lives and residual value of the Property plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

Based on legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting of depreciation expense is not mandatory. Hence, company is depreciating the assets based on life as determined by the management.

During the current year, the Group basis the technical assessment, have revised the useful live of solar power project assets i.e. plant and machinery (excluding inverter) and building from 25 years to 35 years. These changes have been considered as change on accounting estimate as per Ind AS 8 (Accounting policies, change in accounting estimates and errors) and have been accounting for prospectively with effect from April 01, 2021. (Refer note 3 and 23)

The effect of these changes on actual and expected depreciation expense is as follows:

	Increase/ (Decrease)
Financial year 2021-22	(30,478)
Financial year 2022-23	(32,056)
Financial year 2023-24	(31,390)
Later	93,924

(vii) Impairment of non-financial assets

The Group assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(viii) Revenue estimate

Where power purchase agreements (PPAs) include scheduled price changes, revenue is recognized at lower of the amount billed or by applying the average rate to the energy output estimated over the term of the PPA. The determination of the lesser amount is undertaken annually based on the cumulative amount that would have been recognized had each method been consistently applied from the beginning of the contract term. The Group estimates the total kilowatt hour units expected to be generated over the entire term of the PPA. The contractual rates are applied to this annual estimate to determine the total estimated revenue over the term of the PPA. The Group then uses the total estimated revenue and the total estimated kilo-watt hours to compute the average rate used to record revenue on the actual energy output supplied. The Group compares the actual energy supplied to the estimate of the energy expected to be generated over the remaining term of the PPA on a periodic basis, but at least annually. Based on this evaluation, the Group reassesses the energy output estimated over the remaining term of the PPA and adjusts the revenue recognized and deferred to date. The difference between actual billing and revenue recognized is recorded as deferred revenue.

(ix) Key assumption about the likelihood and magnitude of an outflow of resources in case of Income Tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(x) Provision for expected credit losses of trade receivables and contract assets

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations.

(xi) Recognition and measurement of provision and contingencies

The Group recognises provision if it is probable that an outflow of cash and other economic resources will be required to settle the provision. If outflow is not probable, then item is treated as contingent liability. Risk and uncertainties are taken into account in measuring provision.



44. Additional information as required under Schedule III of the Companies Act, 2013, of enterprises consolidated in the financial statement:

For the year ended March 31, 2022

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Parent								
Azure Power India Private Limited	5,12,387	141.00%	(8,774)	890.81%	1,051	89.89%	(7,722)	(468.82%)
Indian Subsidiaries								
Azure Power (Punjab) Private Limited	964	0.27%	(98)	9.99%	2	0.14%	(97)	(5.87%)
Azure Power (Haryana) Private Limited	1,402	0.39%	977	(99.18%)	1	0.09%	978	59.37%
Azure Solar Private Limited	1,753	0.48%	1,101	(111.82%)	(0)	(0.00%)	1,101	66.86%
Azure Power (Rajasthan) Private Limited	(492)	(0.14%)	186	(18.90%)	0	0.02%	186	11.32%
Azure Solar Solutions Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Sun Energy Private Limited	379	0.10%	(52)	5.25%	-	0.00%	(52)	(3.14%)
Azure Urja Private Limited	6,263	1.72%	708	(71.90%)	(0)	(0.01%)	708	42.99%
Azure Surya Private Limited	4,007	1.10%	832	(84.51%)	(0)	(0.04%)	832	50.50%
Azure Power (Karnataka) Private Limited	1,885	0.52%	265	(26.89%)	(2)	(0.17%)	263	15.96%
Azure Photovoltaic Pvt Ltd	6,749	1.86%	886	(89.98%)	(0)	(0.03%)	886	53.78%
Azure Power Infrastructure Pvt Ltd	11,065	3.05%	1,226	(124.45%)	(1)	(0.11%)	1,224	74.33%
Azure Power (Raj.) Pvt Ltd	9,052	2.49%	1,330	(134.99%)	(0)	(0.00%)	1,329	80.71%
Azure Green Tech Private Limited	5,699	1.57%	898	(91.18%)	(0)	(0.00%)	898	54.52%
Azure Renewable Energy Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Clean Energy Pvt Ltd	8,084	2.22%	1,522	(154.52%)	(2)	(0.15%)	1,520	92.28%
Azure Sun Rise Pvt Ltd	(661)	(0.18%)	(469)	47.57%	(0)	(0.01%)	(469)	(28.45%)
Azure Sun Light Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Sunshine Pvt Ltd	2,886	0.79%	324	(32.91%)	1	0.13%	326	19.77%
Azure Power Earth Private Limited	10,241	2.82%	(1,465)	148.78%	(0)	(0.01%)	(1,466)	(88.97%)
Azure Power Eris Private Limited	1,902	0.52%	237	(24.07%)	0	0.00%	237	14.39%
Azure Power Jupiter Private Limited	3,522	0.97%	61	(6.15%)	(8)	(0.69%)	53	3.19%
Azure Power Makemake Private Limited	8,365	2.30%	714	(72.45%)	0	0.01%	714	43.33%
Azure Power Mars Private Limited	883	0.24%	82	(8.28%)	0	0.03%	82	4.97%
Azure Power Mercury Private Limited	397	0.11%	(235)	23.89%	-	0.00%	(235)	(14.28%)
Azure Power Pluto Private Limited	20,812	5.73%	3,602	(365.71%)	(4)	(0.30%)	3,598	218.45%
Azure Power Uranus Private Limited	485	0.13%	(69)	7.03%	0	0.02%	(69)	(4.19%)
Azure Power Venus Private Limited	1,907	0.52%	(99)	10.06%	-	0.00%	(99)	(6.01%)
Azure Power Saturn Private Limited	813	0.22%	(5)	0.47%	-	0.00%	(5)	(0.28%)
Azure Power Thirty Three Private Limited	18,238	5.02%	(4,420)	448.77%	3	0.23%	(4,417)	(268.12%)



Azure Power India Private Limited
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Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Azure Power Thirty Four Private Limited	11,357	3.13%	(155)	15.72%	(1)	(0.06%)	(155)	(9.44%)
Azure Power Thirty Five Private Limited	(1)	(0.00%)	(2)	0.17%	-	0.00%	(2)	(0.10%)
Azure Power Thirty Six Private Limited	4,213	1.16%	46	(4.63%)	(1)	(0.04%)	45	2.74%
Azure Power Thirty Seven Private Limited	16,047	4.42%	2,621	(266.09%)	4	0.33%	2,625	159.34%
Azure Power Thirty Eight Private Limited	1,050	0.29%	(347)	35.27%	-	0.00%	(347)	(21.09%)
Azure Power Thirty Nine Private Limited	555	0.15%	(4)	0.37%	-	0.00%	(4)	(0.22%)
Azure Power Forty One Private Limited	14,189	3.90%	823	(83.58%)	(8)	(0.68%)	815	49.49%
Azure Power Forty Two Private Limited	21,844	6.01%	(7,228)	733.85%	131	11.23%	(7,096)	(430.81%)
Azure Power Forty Three Private Limited	2	0.00%	(0)	0.05%	-	0.00%	(0)	(0.03%)
Azure Power Forty Four Private Limited	38,143	10.50%	(963)	97.78%	456	38.99%	(507)	(30.78%)
Azure Power Forty Five Private Limited	1,220	0.34%	(67)	6.77%	-	0.00%	(67)	(4.05%)
Azure Power Forty Six Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Seven Private Limited	4,367	1.20%	66	(6.69%)	-	0.00%	66	4.00%
Azure Power Forty Eight Private Limited	0	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Nine Private Limited	(0)	(0.00%)	(0)	0.02%	-	0.00%	(0)	(0.01%)
Azure Power Fifty Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty One Private Limited	2,029	0.56%	(63)	6.37%	-	0.00%	(63)	(3.81%)
Azure Power Fifty Two Private Limited	1,373	0.38%	(124)	12.55%	-	0.00%	(124)	(7.50%)
Azure Power Fifty Three Private Limited	(555)	(0.15%)	(565)	57.39%	-	0.00%	(565)	(34.32%)
Azure Power Fifty Four Private Limited	(521)	(0.14%)	(522)	52.95%	-	0.00%	(522)	(31.66%)
Azure Power Green Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Maple Private Limited	15,544	4.28%	(5,693)	578.04%	(454)	(38.82%)	(6,147)	(373.19%)
Azure Power Fifty Five Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty Six Private Limited	9	0.00%	(1)	0.15%	-	0.00%	(1)	(0.09%)
Azure Power Fifty Seven Private Limited	(1)	(0.00%)	(1)	0.09%	-	0.00%	(1)	(0.05%)
Azure Power Fifty Eight Private Limited	(1)	(0.00%)	(1)	0.09%	-	0.00%	(1)	(0.05%)
Azure Power Fifty Nine Private Limited	(550)	(0.15%)	(551)	55.93%	-	0.00%	(551)	(33.44%)
Azure Power Sixty Private Limited	(520)	(0.14%)	(521)	52.93%	-	0.00%	(521)	(31.65%)
Azure Power Sixty one Private Limited	0	0.00%	(1)	0.09%	-	0.00%	(1)	(0.05%)
Azure Power Sixty two Private Limited	(504)	(0.14%)	(505)	51.28%	-	0.00%	(505)	(30.66%)
Kotuma Wind Parks Private Limited	0	0.00%	(1)	0.08%	-	0.00%	(1)	(0.05%)
Two Wind Energy Private Limited	0	0.00%	(1)	0.10%	-	0.00%	(1)	(0.06%)
Azure Green Hydrogen Private Limited	(0)	(0.00%)	(0)	0.02%	-	0.00%	(0)	(0.01%)
Azure Power Sixty Three Pvt Ltd	1	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Sixty Four Pvt Ltd	-	0.00%	-	0.00%	-	0.00%	-	0.00%



Azure Power India Private Limited
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Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Subsidiaries incorporated outside India								
Azure Power US Inc.	4,624	1.27%	2	(0.16%)	-	0.00%	2	0.09%
	7,72,898	212.70%	(14,494)	1471.63%	1,169	99.99%	(13,325)	-808.94%
Adjustments arising out of consolidation	(4,13,677)	(113.84%)	13,509	-1371.63%	1	0.09%	14,820	899.71%
Consolidated Net Assets/ Profit after tax	3,59,221	98.85%	(985)	100.00%	1,170	100.00%	1,495	90.77%
Non controlling interest in all subsidiaries	3,225	0.89%					152	9.23%
Associate (Investment as per equity method)								
Waaree Power Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Premier Energies International Private Limited	937	0.26%	-	0.00%	-	0.00%	-	0.00%
Total	3,63,383	100.00%					1,647	100.00%

For the year ended March 31, 2021 *

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Parent								
Azure Power India Private Limited	3,46,085	184.35%	(28,731)	(6071.92%)	(612)	(52.33%)	(29,343)	67.46%
Indian Subsidiaries								
Azure Power (Punjab) Private Limited	1,060	0.56%	59	20.26%	(2)	(0.17%)	57	(0.13%)
Azure Power (Haryana) Private Limited	424	0.23%	(253)	(53.39%)	(1)	(0.07%)	(253)	0.58%
Azure Solar Private Limited	652	0.35%	(595)	(125.72%)	-	0.00%	(595)	1.37%
Azure Power (Rajasthan) Private Limited	(666)	(0.35%)	(80)	(16.93%)	(0)	(0.03%)	(80)	0.18%
Azure Solar Solutions Private Limited	(298)	(0.16%)	(535)	(113.08%)	-	0.00%	(5)	0.01%
Azure Sun Energy Private Limited	241	0.13%	(106)	(22.30%)	-	0.00%	(106)	0.24%
Azure Urja Private Limited	5,555	2.96%	397	83.91%	(1)	(0.10%)	396	(0.91%)
Azure Surya Private Limited	3,176	1.69%	549	115.93%	1	0.08%	549	(1.26%)
Azure Power (Karnataka) Private Limited	1,622	0.86%	165	34.86%	(0)	(0.01%)	165	(0.38%)
Azure Photovoltaic Pvt Ltd	5,863	3.12%	(126)	(26.70%)	(2)	(0.19%)	(129)	0.30%
Azure Power Infrastructure Pvt Ltd	9,841	5.24%	(433)	(91.49%)	(0)	(0.04%)	(433)	1.00%
Azure Power (Raj.) Pvt Ltd	7,723	4.11%	94	19.93%	0	0.02%	95	(0.22%)
Azure Green Tech Private Limited	4,801	2.56%	719	151.85%	(0)	(0.03%)	718	(1.65%)
Azure-Renewable Energy Pvt Ltd	786	0.42%	(9)	(1.91%)	-	0.00%	(9)	0.02%



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(InR amount in lakhs, unless otherwise stated)

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Azure Clean Energy Pvt Ltd	6,564	3.50%	792	167.37%	(1)	(0.05%)	791	(1.82%)
Azure Sun Rise Pvt Ltd	(193)	(0.10%)	(4,014)	(848.33%)	0	0.03%	(4,014)	9.23%
Azure Sun Light Pvt Ltd	431	0.23%	83	17.48%	-	0.00%	83	(0.19%)
Azure Sunshine Pvt Ltd	2,561	1.36%	316	66.76%	(1)	(0.06%)	315	(0.72%)
Azure Power Earth Private Limited	11,706	6.24%	(3,246)	(686.01%)	2	0.14%	(3,244)	7.46%
Azure Power Eris Private Limited	1,664	0.89%	45	9.58%	(1)	(0.06%)	45	(0.10%)
Azure Power Jupiter Private Limited	3,470	1.85%	(519)	(109.61%)	-	0.00%	(519)	1.19%
Azure Power Makemake Private Limited	7,651	4.08%	319	67.47%	(1)	(0.11%)	318	(0.73%)
Azure Power Mars Private Limited	801	0.43%	12	2.45%	(0)	(0.04%)	11	(0.03%)
Azure Power Mercury Private Limited	632	0.34%	(848)	(179.26%)	-	0.00%	(848)	1.95%
Azure Power Pluto Private Limited	17,215	9.17%	796	168.22%	(3)	(0.26%)	793	(1.82%)
Azure Power Uranus Private Limited	554	0.30%	(148)	(31.34%)	(1)	(0.08%)	(149)	0.34%
Azure Power Venus Private Limited	2,006	1.07%	(850)	(179.73%)	-	0.00%	(850)	1.96%
Azure Power Saturn Private Limited	817	0.44%	(2,480)	(524.15%)	-	0.00%	(2,480)	5.70%
Azure Power Thirty Three Private Limited	22,661	12.07%	(8,474)	(1790.87%)	(4)	(0.34%)	(8,478)	19.49%
Azure Power Thirty Four Private Limited	11,513	6.13%	(747)	(157.87%)	-	0.00%	(747)	1.72%
Azure Power Thirty Five Private Limited	-	0.00%	(1)	(0.29%)	-	0.00%	(1)	0.00%
Azure Power Thirty Six Private Limited	4,168	2.22%	(593)	(125.35%)	0	0.01%	(593)	1.36%
Azure Power Thirty Seven Private Limited	13,421	7.15%	(272)	(57.48%)	(3)	(0.26%)	(275)	0.63%
Azure Power Thirty Eight Private Limited	1,398	0.74%	(1,889)	(399.13%)	-	0.00%	(1,889)	4.34%
Azure Power Thirty Nine Private Limited	559	0.30%	(3)	(0.58%)	-	0.00%	(3)	0.01%
Azure Power Forty Private Limited	12,749	6.79%	(274)	(57.96%)	-	0.00%	(274)	0.63%
Azure Power Forty One Private Limited	28,940	15.42%	22	4.59%	-	0.00%	22	(0.05%)
Azure Power Forty Two Private Limited	3	0.00%	(1)	(0.23%)	-	0.00%	(1)	0.00%
Azure Power Forty Three Private Limited	38,649	20.59%	(174)	(36.77%)	(413)	(35.31%)	(587)	1.35%
Azure Power Forty Four Private Limited	1,287	0.69%	(3,081)	(651.20%)	-	0.00%	(3,081)	7.08%
Azure Power Forty Five Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Six Private Limited	4,301	2.29%	(1,337)	(282.58%)	-	0.00%	(1,337)	3.07%
Azure Power Forty Seven Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Eight Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Forty Nine Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Azure Power Fifty One Private Limited	26	0.01%	(4)	(0.89%)	-	0.00%	-	0.00%
Azure Power Fifty Two Private Limited	30	0.02%	(1)	(0.17%)	-	0.00%	(4)	0.01%
Azure Power Fifty Three Private Limited	10	0.01%	(1)	(0.18%)	-	0.00%	(1)	0.00%
Azure Power Fifty Four Private Limited	0	0.00%	(1)	(0.19%)	-	0.00%	(1)	0.00%
Azure Power Green Private Limited	-	0.00%	-	0.00%	-	0.00%	(1)	0.00%
Azure Power Maple Private Limited	5,146	2.74%	32	6.66%	-	0.00%	32	0.00%
Azure Power Fifty Five Private Limited	-	0.00%	(1)	(0.18%)	-	0.00%	(1)	(0.07%)
Azure Power Fifty Six Private Limited	0	0.00%	(1)	(0.20%)	-	0.00%	(1)	(0.00%)
Azure Power Fifty Seven Private Limited	0	0.00%	(1)	(0.20%)	-	0.00%	(1)	(0.00%)
Azure Power Fifty Eight Private Limited	0	0.00%	(1)	(0.19%)	-	0.00%	(1)	0.00%



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Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/(loss)		Share in Other Comprehensive income/(loss)		Share in Total Comprehensive income/(loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income/(loss)	Amount	As a % of consolidated total comprehensive income/(loss)
Subsidiaries incorporated outside India								
Azure Power US Inc.	4,482	2.39%	91	19.19%	-	0.00%	91	(0.21%)
	5,92,086	315.39%	(55,341)	(11643.27%)	(1,044)	-89.26%	(55,855)	128.41%
Adjustments arising out of consolidation	(4,05,839)	(216.18%)	13,254	-31.49%	28	(2.74%)	12,752	(29.32%)
Consolidated Net Assets/ Profit after tax	1,86,247	99.21%	(42,087)	100.00%	(1,016)	100.00%	(43,103)	99.09%
Non controlling interest in all subsidiaries	1,484	0.79%					(396)	0.91%
Associate (Investment as per equity method)								
Waarce Power Private Limited	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	1,87,731	100.00%					(43,499)	100.00%

* Refer note 46 and 47 for restatement and reclassification respectively



45. Impairment of assets and assets held for sale

During Financial year ended March 31, 2021, Azure Power Global Limited (Holding Company) has identified certain subsidiaries to sell off on a going concern basis, which currently form part of our Rooftop business. Out of this identified portfolio, during the current year on April 1, 2021, Azure Power India Private Limited ("AZI") and Azure Power Rooftop Private Limited entered into a contract with Radiance Renewables Pvt. Ltd. ("Radiance") to sell certain subsidiaries (the "Rooftop Subsidiaries") with an operating capacity of 153 MW, for INR 5,350 million, subject to certain purchase price adjustments (the "Rooftop Sale Agreement"). Pursuant to the Rooftop Sale Agreement, Radiance will acquire 100% of the equity ownership of the Rooftop Subsidiaries owned by Azure Power India Private Limited and Azure Power Rooftop Pvt. Ltd, as more fully described below.

Further, as per the terms of the Rooftop Sale Agreement in respect of the 33.2 MWs capacity which are operated through certain subsidiaries of Holding Company, referred as entities of the Restricted Group (which had issued Senior Notes/Green Bonds during previous years) 48.6% of the equity ownership has been transferred to Radiance during the current year, and pursuant to the terms of these Green Bonds, the remaining 51.4% can only be transferred post refinancing of Green Bonds. Further during the current year, Group has transferred 100% shareholding relating to 9.5 MW rooftop project forming part of Restricted Group post refinancing of bonds during the year and 5.32 MW of entities forming the part of disposal group. Also there are restrictions on transfer of equity ownership relating to the 16 MW project with Delhi Jal Board (DJB), wherein 49% of the equity ownership have been transferred to Radiance during the current year, and the remaining 51% will be transferred on or after March 31, 2024. As the significant Conditions Precedent have not been met for the said entities hence the Group continues to retain control over the said entities.

Further, subsequent to year end, AZI has transferred 100% shareholding in relation to 2.5 MW operating capacity. In May 2021, the Company has disposed its investment in a subsidiary on a going concern basis for consideration of INR 4,286 lakhs. The same was reported as asset held for sale under financials for the year ended March 31, 2021. Accordingly, the Group has recognized reversal of impairment loss in relation to the Rooftop Subsidiaries aggregating to INR 3,286 lakhs (after considering revised purchase consideration other than 3rd party loan of INR 19,420 lakhs for AZI group subject to certain purchase price adjustments) during the Financial year March 31, 2022 as compared to impairment loss of INR 7,565 lakhs during Financial year March 31, 2021, as described below:

The assets and liabilities of the Rooftop Subsidiaries classified as held for sale, together with the calculation of the related impairment loss is shown below.

	As at March 31, 2022	As at March 31, 2021
Assets		
Non-current assets		
Property, plant and equipment#	954	4,153
Capital work-in-progress	-	579
Right-of-use assets	-	1,433
Financial assets		
- Loans	-	5
- Other financial assets	115	199
Deferred tax assets (net)	74	670
Income tax assets (net)	2	20
Other non current assets	0	837
Total non-current assets	1,145	7,896
Current assets		
Financial assets		
- Trade receivables	21	163
- Cash and cash equivalents	225	96
- Other bank balances	180	1,112
- Loans	-	410
- Other current financial assets	2	36
Other current assets	1	38
Total current assets	429	1,855
Total assets (A)	1,574	9,751



Azure Power India Private Limited
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Non-current liabilities		
Financial liabilities		
- Lease liabilities	-	1,343
- Borrowings	558	1,077
Provisions	-	2
Other non current liabilities	-	237
Total non-current liabilities	558	2,659
Current liabilities		
Financial liabilities		
- Lease liabilities	-	133
- Borrowings	103	115
- Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	0
Total outstanding dues of creditors other than micro enterprises and small enterprises	42	103
- Other current financial liabilities	17	111
Provisions	-	2
Other current liabilities	1	29
Total current liabilities	163	493
Total liabilities (B)	721	3,152
Net Assets (C=A-B)	853	6,599
Fair Value * (D)	540	3,324
Impairment loss (E=C-D)	313	3,275

*Fair value during the previous year was calculated after adjusting for costs related to the Rooftop Sale Agreement amounting to INR 467 lakhs.

Includes impairment expense of INR 190 lakhs recognised in previous year.

The reversal of impairment loss recorded in relation to the Property, plant and equipment of the Rooftop Subsidiaries not classified as held for sale was INR 2,414 lakhs during fiscal year March 31, 2022 as compared to INR 4,290 Lakhs in year ended March 31, 2021.

	As at March 31, 2022	As at March 31, 2021
Assets		
Non-current assets		
Carrying value of Property Plant and Equipment	19,142	26,286
Fair Value *	17,438	21,996
Impairment loss	1,704	4,290

*Fair value in previous year is calculated after adjustment for the expected timing of the proceeds from the sale and other costs related to the Rooftop Sale Agreement amounting to INR 305 lakhs.



46. Restatement for the year ended March 31, 2021 and as at April 1, 2020

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of financial statements', the Company has retrospectively restated its balance sheet as at March 31, 2021 and April 1, 2020 (beginning of the preceding period) and Statement of Profit and Loss for the year ended March 31, 2021 for the reasons as stated in the notes below. Reconciliation of items which are retrospectively restated in the consolidated Balance Sheet and consolidated Statement of Profit and Loss are as under:

(i) Reconciliation of restated items of consolidated Balance Sheet as at March 31, 2021 and April 1, 2020

	Notes	As at March 31, 2021			As at April 1, 2020		
		As previously reported (reclassified)	Adjustments	Restated balance	As previously reported (reclassified)	Adjustments	Restated Balance
Assets							
Non-current assets							
Property, plant and equipment	(b), (g)	9,01,260	(1,457)	8,99,803	8,22,120	(574)	8,21,546
Right-of-use assets	(c)	45,610	74	45,684	49,920	74	49,994
Capital work-in-progress	(g), (h)	1,02,647	(185)	1,02,462	31,936	(676)	31,260
Intangible assets		250	-	250	543	-	543
Financial assets							
- Loans		251	-	251	223	-	223
- Other financial assets		48,100	-	48,100	60,444	-	60,444
Deferred tax assets (net)	(e)	32,148	(770)	31,378	27,311	1,032	28,343
Income tax assets (net)	(e)	8,457	(2,480)	5,977	5,476	(107)	5,369
Other non current assets		9,569	-	9,569	11,091	-	11,091
Total non-current assets		11,48,292	(4,818)	11,43,474	10,09,064	(251)	10,08,813
Current assets							
Financial assets							
- Trade receivables		48,831	-	48,831	46,367	-	46,367
- Cash and cash equivalents		67,246	-	67,246	69,870	-	69,870
- Other bank balances		41,348	-	41,348	20,555	-	20,555
- Loans		5,808	-	5,808	4,101	-	4,101
- Other financial assets		14,332	-	14,332	7,588	-	7,588
Other current assets		6,927	-	6,927	9,111	-	9,111
Assets classified as held for sale	(i)	6,943	(1,427.00)	5,516	-	-	-
Total current assets		1,91,435	(1,427)	1,90,008	1,57,592	-	1,57,592
Total assets		13,39,727	(6,245)	13,33,482	11,66,656	(251)	11,66,405
Equity and liabilities							
Equity							
Equity share capital		455	-	455	455	-	455
Other equity	(f)	1,89,571	(3,779)	1,85,792	2,25,626	2,827	2,28,453
Equity attributable to equity holders of the parent		1,90,026	(3,779)	1,86,247	2,26,081	2,827	2,28,908
Non-controlling interest		1,484	-	1,484	1,880	-	1,880
Total equity		1,91,510	(3,779)	1,87,731	2,27,961	2,827	2,30,788
Non-current liabilities							
Financial liabilities							
- Borrowings		8,41,030	-	8,41,030	7,71,736	-	7,71,736
- Lease liabilities		29,742	-	29,742	33,689	-	33,689
- Other financial liabilities		13,531	-	13,531	2,005	-	2,005
Provisions	(h)	8,580	(753)	7,827	7,669	(676)	6,993
Deferred tax liabilities (net)	(e)	145	293	438	3,167	(2,405)	762
Other non current liabilities		24,608	-	24,608	22,374	-	22,374
Total non current liabilities		9,17,636	(460)	9,17,176	8,40,640	(3,081)	8,37,559
Current liabilities							
Financial liabilities							
- Borrowings		1,36,012	-	1,36,012	32,929	-	32,929
- Lease liabilities		2,708	-	2,708	2,560	-	2,560
- Trade payables							
Total outstanding dues of micro enterprises and small enterprises		1,096	-	1,096	114	-	114
Total outstanding dues of creditors other than micro enterprise and small enterprises		6,681	-	6,681	9,302	-	9,302
- Other current financial liabilities		73,917	-	73,917	49,759	-	49,759
Current tax liabilities (net)	(d)	4,016	(2,110)	1,906	436	3	439
Provisions		475	-	475	356	-	356
Other current liabilities	(a)	2,524	104	2,628	2,599	-	2,599
Liabilities directly associated with assets classified as held for sale		3,152	-	3,152	-	-	-
Total current liabilities		2,30,581	(2,006)	2,28,575	98,055	3	98,058
Total liabilities		11,48,217	(2,466)	11,45,751	9,38,695	(3,078)	9,35,617
Total equity and liabilities		13,39,727	(6,245)	13,33,482	11,66,656	(251)	11,66,405



(ii) Reconciliation of restated items of consolidated Statement of Profit and Loss for the year ended March 31, 2021

	Notes	For the year ended March 31, 2021		
		As previously reported (reclassified)	Adjustments	Restated balance
Revenue				
Revenue from operations		1,49,277	-	1,49,277
Finance income		4,945	-	4,945
Other income		2,685	-	2,685
Total income		1,56,907	-	1,56,907
Expenses				
Construction, sub contracting and other site expenses		-	-	-
Employee benefits expense		19,153	-	19,153
Depreciation and amortization expense	(b)	57,479	315	57,794
Impairment loss		7,565	1,427	8,992
Finance cost	(d)	96,582	84	96,666
Other expenses	(a)	18,183	104	18,287
Total expenses		1,98,962	1,930	2,00,892
Loss before tax		(42,055)	(1,930)	(43,985)
Tax expense:				
Current tax	(e)	1,902	176	2,078
Income tax adjustment pertaining to earlier year		(25)	-	(25)
Deferred tax credit	(e)	(8,055)	4,500	(3,555)
Total tax benefit		(6,178)	4,676	(1,502)
Loss after tax		(35,877)	(6,606)	(42,483)
Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss				
Effective portion of cash flow hedge reserve		(1,446)	-	(1,446)
Income tax effect on cash flow hedge reserve		462	-	462
Foreign currency translation reserve		(9)	-	(9)
Items that will not be reclassified to profit or loss				
Re-measurement gains/ (losses) on defined benefit plans		(35)	-	(35)
Income tax effect on re-measurement gains/ (losses) on defined benefit plans		12	-	12
Total other comprehensive expense		(1,016)	-	(1,016)
Total comprehensive expense		(36,893)	(6,606)	(43,499)

(iii) Reconciliation of statement of consolidated cash flows for the year ended March 31, 2021

	For the year ended March 31, 2021		
	As previously reported (reclassified)	Adjustments	Restated balance
Net cash flow from operating activities	1,24,263	61	1,24,324
Net cash used in investing activities	(2,01,885)	(70)	(2,01,955)
Net cash flow from financing activities	75,103	-	75,103
Net decrease in cash and cash equivalents	(2,519)	-	(2,528)
Unrealized foreign exchange gain/(loss)	9	-	-
Cash and cash equivalents at the beginning of the year	69,870	-	69,870
Cash and cash equivalents at the end of the year (refer note 8.2)	67,342	-	67,342

(iv) Earnings per share

Basic and diluted earnings per share for the year ended March 31, 2021 have changed as below:

	For the year ended March 31, 2021		
	As previously reported (reclassified)	Adjustments	Restated balance
(1) Basic earnings per share (in INR)	(788.26)	(145.14)	(933.40)
(2) Diluted earnings per share (in INR)	(788.26)	(145.14)	(933.40)



(v) Notes on restatement

a) Management fees

The Group has restated its other expenses for the year ended March 31, 2021 by INR 104 lakhs on account of GST on management fee pertaining to previous year charged by the Company from certain subsidiaries in current year.

b) Depreciation

During the current year, the Group has recomputed depreciation on property, plant and equipment as per accounting policy and has corrected certain errors through restating the financial statement. As at April 1, 2020, the Group has decreased carrying value of property, plant and equipment with a corresponding decrease in retained earnings by INR 574 lakhs. Further, the Company has increased depreciation expense by INR 315 lakhs for the year ended March 31, 2021.

(c) Amortisation of right of use asset

During the current year, the Group has observed an accounting error during re-computation of depreciation on right of use assets. Accordingly, the Group has increased the carrying value of right of use asset with a corresponding increase in retained earnings by INR 74 lakhs in the opening balance sheet as at April 1, 2020.

(d) Interest on delay in payment of income taxes

During the current year, the Group identified interest liability in respect of delay in payment of income tax for the financial year 2020-21. The Group has accordingly restated previous year ended March 31, 2021 balances and has increased finance cost and reduced income tax assets by INR 84 lakhs.

(e) Tax expense

During the current year, the Group determined that the financial statements for the prior periods had differences in reported numbers as compared to Income Tax returns filed with the authorities and noted certain errors under computation of taxes for amounts reversing within tax holiday period. Accordingly, the Group has restated its financial statement during current year. The restatement has had the following impact on the financial statements:

	April 1, 2020	FY 2020-21	March 31, 2021
Current tax expense	-	176	-
Income tax assets	(107)	(2,373)	(2,480)
Current tax liabilities	3	(3)	-
Other equity	(110)	-	(286)

	April 1, 2020	FY 2020-21	March 31, 2021
Deferred tax expense	-	4,500	-
Deferred tax liabilities	(2,405)	2,698	293
Deferred tax assets	1,032	(1,802)	(770)
Other equity	3,437	-	(1,063)

(f) Other equity

The above adjustments resulted in increase in retained earning by INR 2,827 lakhs as at April 01, 2020. Further, there is a increase in loss for the year ended March 31, 2021 by INR 6,606 lakhs and corresponding decrease in retained earning for the year ended March 31, 2021.

Particulars	Note	April 1, 2020	March 31, 2021
Equity share capital		455	455
Other equity		2,25,626	1,89,571
Total Equity as per Reported Financial Statements		2,26,081	1,90,026
Depreciation	(b)	(574)	(889)
Amortisation of right of use asset	(c)	74	74
Management fees	(a)	-	(104)
Interest on delayed payment of income tax	(d)	-	(84)
Impairment expense	(i)	-	(1,427)
Current tax expense	(e)	(110)	(286)
Deferred tax expense	(e)	3,437	(1,063)
Total Equity as per Restated Financial Statements		2,28,908	1,86,247

(g) Decapitalisation of plant and machinery

During the year ended March 31, 2021, the Company has decapitalised property, plant and equipment with consequential impact of increase in capital work-in-progress by INR 568 lakhs, on account of excess capitalisation in previous year.

(h) Asset retirement obligation

The Company has derecognised provision for decommissioning liabilities recognised in capital work-in-progress (CWIP) as at April 1, 2020 by INR 675 lakhs and additions in CWIP pertaining to these liabilities during the year ended March 31, 2021 by INR 77 lakhs.

(i) Provision for diminution in value of investments

The Company has provided for provision for diminution in value of investments on account of rooftop portfolio amounting to INR 1,427 lakhs during the year ended March 31, 2021 as the same was not provided earlier.

(j) Statement of cash flows

The Company has made certain reclassifications to the comparative period's statement of cash flows to enhance comparability with the current year's statement of cash flows.



47. Reclassification

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the balance sheet and statement of profit & loss, the details of which are as under:

Items of consolidated balance sheet before and after reclassification as at March 31, 2021:

Particulars	Amount before reclassification	Reclassification	Amount after reclassification
Assets			
Property, plant and equipment (refer note 1 & 2 below)	9,06,630	(5,370)	9,01,260
Right-of-use assets (refer note 1 and 2 below)	30,814	14,796	45,610
Other non-current assets (refer note 2 & 3 below)	20,651	(11,082)	9,569
Other current assets (refer note 2 below)	7,282	(355)	6,927
Current loans (refer note 4 below)	9,496	(3,688)	5,808
Other current financial assets (refer note 4 below)	10,644	3,688	14,332
Non-current loans (refer note 7 below)	548	(297)	251
Other non-current financial assets (refer note 7 below)	47,803	297	48,100
Liabilities			
Current borrowings (refer note 4 below)	89,432	46,580	1,36,012
Trade payables (refer note 5 and 6 below)	10,112	(2,335)	7,777
Other current financial liabilities (refer note 3, 4, 5 and 6 below)	1,20,302	(46,385)	73,917
Other current liabilities (refer note 6)	2,395	129	2,524

- The Group had earlier classified the amount of assets retirement obligation in property plant & equipment as at March 31, 2021 amounting to INR 5,164 lakhs. To align with the requirements of Para 24 of Ind AS 116, the Group has reclassified the asset retirement costs from property plant and equipment to Right of use assets.
- The Group had earlier classified the amount of prepaid land use rights - current and non current in property, plant and equipment, other current assets and other non current assets as at March 31, 2021 amounting to INR 206 lakhs, INR 355 lakhs and INR 9,071 lakhs respectively. To align with the requirements of Ind AS, the Company has reclassified the prepaid land use rights to Right of use assets.
- The Group has netted of INR 2,011 lakhs in capital advances under other non-current assets and payable towards purchase of capital goods under other current financial liabilities.
- In line with requirement of revised Schedule III Division II, the amount of current maturities of long term loan which was earlier classified under other current financial liabilities amounting to INR 46,580 lakhs is now classified under note Current borrowing and INR 3,688 lakhs is re-classified from current loans to other current financial assets.
- The Group had classified the employee benefits payable and payable towards purchase of capital goods amounting to INR 1,266 lakhs and INR 940 lakhs respectively in trade payables as at March 31, 2021. The Company has reclassified the said amounts to align with disclosure requirement of Schedule III to Companies Act 2013 and accordingly reclassified to other current financial liabilities.
- The Group had earlier classified the amount of Advance for land in trade payables as at March 31, 2021 amounting to INR 129 lakhs. To align with the disclosure requirements of Schedule III, the Company has reclassified the amount in Other current liabilities.
- In line with requirement of revised Schedule III division II, the amount of security deposits which was earlier classified under Loans (Asset) amounting to INR 297 lakhs is now classified under Other financial Assets.

Items of consolidated balance sheet before and after reclassification as at March 31, 2020:

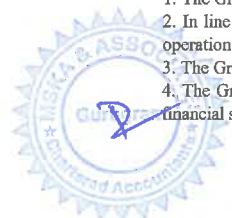
Particulars	Amount before reclassification	Reclassification	Amount after reclassification
Assets			
Property, plant and equipment (refer note 1 below)	8,27,242	(5,122)	8,22,120
Right-of-use assets (refer note 1 and 2 below)	36,217	13,703	49,920
Other non-current assets (refer note 2 below)	19,359	(8,268)	11,091
Other current assets (refer note 2 below)	9,424	(313)	9,111
Non-current loans (refer note 3 below)	603	(380)	223
Other non-current financial assets (refer note 3 below)	60,064	380	60,444
Liabilities			
Current borrowings (refer note 4 below)	9,903	23,026	32,929
Other current financial liabilities (refer note 4 below)	72,785	(23,026)	49,759

- The Group had earlier classified the amount of assets retirement obligation in property plant & equipment as at March 31, 2021 amounting to INR 5,122 lakhs. To align with the requirements of Para 24 of Ind AS 116, the Group has reclassified the asset retirement costs from property plant and equipment to Right of use assets.
- The Group had earlier classified the amount of prepaid land use rights - current and non current in other current and non current assets as at March 31, 2021 amounting to INR 313 lakhs and INR 8,268 lakhs respectively to align with the requirements of Ind AS, the Group has reclassified the prepaid land use rights to Right of use assets.
- In line with requirement of revised Schedule III Division II, the amount of security deposits which was earlier classified under Loans (Asset) amounting to INR 380 lakhs is now classified under Other financial Assets.
- In line with requirement of revised Schedule III Division II, the amount of current maturities of long term loan which was earlier classified under other current financial liabilities amounting to INR 23,026 lakhs is now classified under note Current borrowing.

Items of consolidated statement of Profit and Loss before and after reclassification for the year ended March 31, 2021:

Particulars	Amount before reclassification	Reclassification	Amount after reclassification
Revenue from operations (refer note 1 and 2)	1,50,021	(744)	1,49,277
Other non-operating income (refer note 2)	2,604	81	2,685
Construction, sub contracting and other site expenses (refer note 4)	612	(612)	-
Depreciation and amortisation expense (refer note 3)	57,305	174	57,479
Other expenses (refer note 1, 3 and 4)	18,408	(225)	18,183

- The Group has netted of reactive charges amounting to INR 663 lakhs from revenue from operations which were earlier classified under other expenses.
- In line with requirement of revised Schedule III Division II, the Group has reclassified grant income related to assets amounting to INR 81 lakhs from revenue from operations to other non-operating income.
- The Group has reclassified rent expense of INR 174 lakhs from other expenses to depreciation of right of use assets to align with the requirements of Ind AS.
- The Group has reclassified INR 612 lakhs from Construction, sub contracting and other site expenses to other expenses to enhance comparability with current year's financial statements.



48. Standards notified but not yet effective

The Ministry of Corporate Affairs, vide notification dated March 23 2022, has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards with effect from April 01, 2022. Below is a summary of such amendments which are applicable:

(a) Ind AS 16 – Property, Plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022. The Group does not expect the amendment to have any significant impact in its financial statements.

(b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Group does not expect the amendment to have any significant impact in its financial statements.

(c) Ind AS 109 – Annual Improvements to Ind AS (2021):

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

(d) Ind AS 106 – Annual Improvements to Ind AS (2021):

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

49. Additional regulatory information required by Schedule III

There are some disclosures which are notified, but not applicable to group.

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Group has not advanced or loaned or invested (either from borrowed fund or share premium or any other source and kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year (any previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) None of the entities under the Group have been declared as a wilful defaulter by any bank, financial institution or any other lender, government or any government authority.
- (vii) The Group has used its specific borrowings for the specific purpose for which they were taken.
- (viii) The Group has complied with the number of layers prescribed under clause 87 of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.
- (ix) The Group has not entered into any scheme or arrangement, which has an accounting impact on current and previous financial year.

50. Relationship with Struck off Companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

Name of the Struck Off Company	Nature of transactions with struck off company	Relationship with the struck off company, if any	Balance Outstanding as at March 31, 2022	Balance Outstanding as at March 31, 2021
Trifin Technologies Private Limited	Payables	NA	-	7



51. Whistle-blower Allegations and Special Committee Investigation

During the year and subsequent to the year end, the Parent Group received whistle-blower complaints on various matters, including lapses in internal controls for certain key areas, governance and vendor management. The Board of Directors of the Holding Company have engaged external counsel to undertake investigations on the allegations thereof. Some of the Group companies have made certain adjustments in the books of account as a prudent measure.

In May 2022, a whistle-blower complaint was received that alleged health and safety lapses, procedural irregularities, misconduct by certain employees, improper payments and false statements in a project. Following extensive investigation by the Holding Company's Ethics Committee, supervised by the Holding Company's Audit and Risk Committee and support from external counsel and forensic professionals, the Parent Group identified evidence of manipulation and misrepresentation of project data by some employees at that project site. Weak controls over payments to a vendor and failures to provide accurate information both internally and externally were also found, but no direct evidence was identified that any improper payment made to any government official. Further, in the year ended March 31, 2023, the Group reported to SECI that this project had: (i) shortfalls in generation and (ii) that it failed to timely complete and commission the requisite contractually required capacity. On January 3, 2023 and January 4, 2023, SECI advised, inter alia, that the Parent Group could be liable for damages and penalties for shortfalls in generation.

Further, in September 2022, the Parent Group received an additional whistle-blower complaint reiterating the allegation of misconduct raised in May 2022, as well as allegations of misconduct related to joint ventures and land acquisition, allegations of its failure to be transparent with the market and advisors, among other claims. Holding Company's Ethics Committee, supervised by Holding Company's Audit and Risk Committee, with the support of external counsel and forensic accounting professionals, investigated these September 2022 allegations. The investigation of the September 2022 complaint identified significant control issues in the process of acquiring land and land use rights in relation to a subsidiary company. The investigation concluded that third party land aggregators may have been involved in improper payments but no improper transfer of money by the Parent Group was identified. The Group made an adjustment (de-capitalization) in the books of accounts of INR 2,528 Lakhs on estimate, as a prudent measure in the Group.

The Parent Group has also identified potential misrepresentations made by former executives to Holding Company's and Company's Board in July 2021 regarding an asset purchase transaction for the development of a wind project. In addition, it appears such former executive officers may have circumvented internal policies in connection with the approval of another transaction related to another wind project. We were not able to identify any evidence of improper payments related to either of these transactions. Considering the observations regarding the transactions, the valuation of the asset purchase and related government orders was reassessed but it was determined that no adjustment was required to be made in the books of account.

The Parent Group's investigation did not substantiate other portions of this September 2022 whistle-blower complaint.

As part of the investigations of the May 2022 and September 2022 whistle-blower complaints, the review was widened to include a review of projects commissioned in financial year ended March 31, 2022 and financial year ended March 31, 2023 to ensure that similar weaknesses were not present. As part of our investigations, inconsistencies in project data were identified in certain projects, but no improper payments were identified in connection with these projects.

A Special Committee of Holding Company's Board of Directors (the "Special Committee") was convened in August 2022 to review certain material projects and contracts over a three-year period for anti-corruption and related compliance issues. Independent outside counsel and forensic advisors were engaged to support the Special Committee. The Special Committee has identified evidence that certain former executives may have been involved and certain former board members of the Holding Company might have had knowledge of an apparent scheme with persons outside the Group to make improper payments in relation to certain projects. To date, the Special Committee has not identified related improper payments or transfers by the Parent Group. The Special Committee's investigation is still ongoing. The Special Committee's review and its findings could impact the decision-making of the Parent Group, in connection with such projects. APGL has disclosed the details of the Special Committee's investigation to the U.S. Securities and Exchange Commission and the U.S. Department of Justice, and APGL continues to cooperate with those agencies. The current members of the Board of Directors of the Holding Company have confirmed that none of them were aware of the apparent scheme referred to above other than through the Special Committee investigation.

The Parent Group including the Company and our subsidiaries with respect to affected projects could be exposed to liabilities under the relevant contractual and tender documents (including levy of damages and liquidated damages, reduction of PPA tariffs and/or short closure of capacity), administrative actions (including the risk of PPA cancellation, risk of being debarred from SECI's future contracts, withdrawal or nullification of commissioning certificates and/or revocation of commissioning extensions) and penalties from customers and other civil liabilities, all of which could adversely impact the revenue, profitability and capitalization of the affected projects.

The Parent Group remains steadfast in its commitment to upholding the principles of transparency, accountability, and ethical conduct in all areas of its operations and it will continue to monitor and assess its internal processes to ensure compliance with all relevant laws and regulations.



Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2022

(INR amount in lakhs, unless otherwise stated)

52. Pursuant to the manufacturing linked tender of 4,000 MW, the Group has executed Power Purchase Agreements ("PPAs") for a capacity of 2,333 MW with SECI, for which a Power Sale Agreement ("PSA") has been executed by SECI with the state of Andhra Pradesh during the year ended March 31, 2022. Two Public Interest Litigations ("PILs") have been filed before the hon'ble High Court of Andhra Pradesh in the year ended March 31, 2022 against the Ministry of Power, Ministry of New and Renewable Energy (MNRE), SECI, Government of Andhra Pradesh, and others seeking: (i) quashing the Request for Selection dated June 25, 2019 ("RfS") issued by SECI pursuant to which Azure was awarded the manufacturing linked project for 4,000 MW capacity; (ii) setting aside of the Letter of Award issued by SECI to Azure pursuant to the RfS; (iii) setting aside Andhra Pradesh Electricity Regulatory Commission's order ("APEREC Order") approving procurement of 7 GWs from SECI under the RfS (which includes capacity of 2,333 MW for which PPAs have been executed by the Company); and (iv) setting aside the Central Electricity Regulatory Commission's ("CERC") order dated April 02, 2022 whereby tariff discovered under the RfS was adopted, among other requests for relief. CERC passed an order, dated April 02, 2022, adopting tariffs under the PPAs subject to the outcome of the PILs mentioned above. The PILs currently are pending adjudication. In the event the PILs are successful, the Letter of Award and PPAs awarded to/ executed by Azure pursuant to the RfS may be cancelled. Currently, we cannot predict the outcome of these two PILs.

Given this uncertainty, the Group has concluded that it should seek to terminate the above mentioned PPAs and has filed a petition at the Andhra Pradesh High Court seeking a declaration that Azure should be discharged from performance of the obligations under the Andhra Pradesh PPAs for a capacity of 2,333 MW as a result of the absence of the unconditional tariff adoption order from the regulatory commission. Since there was a threat by SECI to revoke the Bank Guarantee of INR 11,665 lakhs, the Hon'ble High Court in its order dated October 16, 2023, directed SECI not to take coercive steps against the Group until the next date of hearing. The matter is next listed for hearing in February 2024. Considering the current status of the matter and basis management assessment, the Group believe that PPAs executed for 2,333 MWs with SECI may get a declaration of termination from the AP High court. Accordingly, the Group has recognized provision of INR 2,660 lakhs in the financial statement for the year ended March 31, 2022.

53. The Group companies are in process of conducting a transfer pricing study as required by the transfer pricing regulations under the income tax act ('regulations') to determine whether the transactions entered during the year ended March 31, 2022 with associated enterprises were undertaken at arms length price. The Management confirms that all the transactions with associate enterprises are undertaken at arm length prices and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

54. As per the provision of the Companies Act, 2013, a company is required to convene the Annual General Meeting ("AGM") for adoption of its annual audited financial statements within the six months from the end of the financial year, i.e. September 30, 2022. Considering the investigations mentioned above, the Group companies (except for 33.2 MW rooftop portfolio for which agreement for sale have been entered into with Radiance) have not been able to hold the AGM till date. Consequently, given that the Group companies have not held the AGM by September 30, 2022 which was further extended by 3 months to December 31, 2022 based on the extension obtained from Registrar of Companies ("ROC"), the Group companies are now required to apply for compounding of the Offence and liable to pay penalties as may be imposed by ROC, Management is unable to ascertain the amount of penalties for the Offence and hence no accruals for the same has been taken in these financial statements.

55. Going concern

(i) As at March 31, 2022, the current liability of Azure Solar Private Limited (subsidiary company) exceeds its current assets by INR 956 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(ii) During the financial year ended March 31, 2022, Azure Power (Rajasthan) Private Limited (subsidiary company) has reported the negative net worth of INR 479 lakhs (against negative net worth of INR 6,66 lakhs as at March 31, 2021). This was primarily on account of finance cost, hedge expenses and foreign exchange loss relating to foreign currency loan, which was refinanced during the earlier years. Also as at March 31, 2022, the subsidiary company's current liability exceeds its current assets by INR 47 lakhs. Further, Azure Power India Private Limited has also committed to extend operational and financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(iii) As at March 31, 2022, current liability of Azure Power Urja Private Limited (subsidiary company) exceeds its current assets by INR 424 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

(iv) As at March 31, 2022, current liability of Azure Power (Karnataka) Private Limited (subsidiary company) exceeds its current assets by INR 385 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the (subsidiary company), as may be required, in order to make Company meet its obligations for future.

(v) During the financial year ended March 31, 2022, Azure Power Sunrise Private Limited (subsidiary company) has reported the negative net worth of INR 661 lakhs (against negative net worth of INR 192 lakhs as at March 31, 2021). This was primarily on account of depreciation and provision for trade receivables on overdue balances from customer in current year and previous year. During the current year the subsidiary company has repaid the inter company borrowings of INR 36,725 lakhs resulting in saving of interest expenses in current and future years. Further, Azure Power India Private Limited has also committed to extend the financial support to the subsidiary company, if required, in order to make Company to meet its obligations in future.

(vi) As at March 31, 2022, current liability of Azure Power Sunshine Private Limited (subsidiary company) exceeds its current assets by INR 573 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.



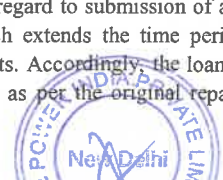
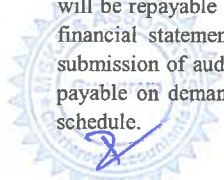
Azure Power India Private Limited

Notes to consolidated financial statements for the year ended March 31, 2022

(INR amount in lakhs, unless otherwise stated)

- (vii) As at March 31, 2022, current liability of Azure Power Jupiter Private Limited (subsidiary company) exceeds its current assets by INR 4,947 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (viii) As at March 31, 2022, current liability of Azure Power Forty Private Limited (subsidiary company) exceeds its current assets by INR 8653 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (ix) As at March 31, 2022, current liabilities of Azure Power Forty One Private Limited (subsidiary company) exceeds its current assets by INR 12,638 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (x) As at March 31, 2022, current liability of Azure Power Forty Three Private Limited (subsidiary company) exceeds its current assets by INR 25,962 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xi) As at March 31, 2022, current liabilities of Azure Power Maple Private Limited (subsidiary company) exceeds its current assets by INR 1,07,720 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xii) As at March 31, 2022, current liability of Azure Power Fifty Two Private Limited (subsidiary company) exceeds its current assets by INR 741 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xiii) As at March 31, 2022, current liability of Azure Power Fifty Three Private Limited (subsidiary company) exceeds its current assets by INR 555 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xiv) As at March 31, 2022, current liability of Azure Power Fifty Four Private Limited (subsidiary company) exceeds its current assets by INR 521 lakhs. Azure Power Fifty India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xv) As at March 31, 2022, current liability of Azure Power Fifty Six Private Limited (subsidiary company) exceeds its current assets by INR 95 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xvi) As at March 31, 2022, current liability of Azure Power Fifty Seven Private Limited (subsidiary company) exceeds its current assets by INR 201 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xvii) As at March 31, 2022, current liability of Azure Power Fifty Eight Private Limited (subsidiary company) exceeds its current assets by INR 289 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xviii) As at March 31, 2022, current liability of Azure Power Fifty Nine Private Limited (subsidiary company) exceeds its current assets by INR 550 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xix) As at March 31, 2022, current liability of Azure Power Sixty Private Limited (subsidiary company) exceeds its current assets by INR 520 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xx) As at March 31, 2022, current liability of Azure Power Sixty One Private Limited (subsidiary company) exceeds its current assets by INR 472 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xxi) As at March 31, 2022, current liability of Azure Power Sixty Two Private Limited (subsidiary company) exceeds its current assets by INR 504 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xxii) As at March 31, 2022, current liability of Kotuma Winds Park Private Limited (subsidiary company) exceeds its current assets by INR 1,744 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.
- (xxiii) As at March 31, 2022, current liability of Azure Clean Energy Private Limited (subsidiary company) exceeds its current assets by INR 494 lakhs. Azure Power India Private Limited has committed to extend financial and operational support to the subsidiary company, as may be required, in order to make Company meet its obligations for future.

56. The Group has secured loan from banks and financial institutions ("Lenders") with a carrying amount (net of unamortised balance of ancillary cost of borrowing) of INR 6,19,470 lakhs at March 31, 2022 (March 31, 2021: INR 3,72,705 lakhs). These loans contained a covenant stating that the Company is required to submit its annual audited financial statements within 180 days from the end of the year end and in case of breach of the said condition the loan will be repayable on demand. Due to various ongoing factors, the group has not been able to meet the said condition with regard to submission of audited financial statements within the stipulated time period. However, management obtained waivers from the lenders, which extends the time period for submission of audited financial statements for the year ended March 31, 2022 till the date of signing of financial statements. Accordingly, the loan is not payable on demand as at March 31, 2022 and the management has continued to classified the said loans as non-current as per the original repayment schedule.



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2022**

(INR amount in lakhs, unless otherwise stated)

57. Subsequent Events

(i) On April 26, 2022, Group announced that the Board had accepted the resignations of our previous CEO & Managing Director, Mr. Ranjit Gupta, and COO, Mr. Murali Subramanian. Mr. Harsh Shah joined the Company as CEO on July 01, 2022 but subsequently resigned on August 29, 2022. Thereafter, Mr. Rupesh Agarwal became Acting CEO of the Group on Mr. Shah's resignation. In November 2022, Mr. R. Narasimhan Iyer joined as Chief Operating Officer of the Group. On April 30, 2023, Mr. Sugata Sircar resigned from his position as non-executive Independent Director and member of the Company's Audit & Risk Committee and Capital Committee and on May 01, 2023, joined as Group CFO. Further, on July 10, 2023, Mr. Sunil Gupta joined the Group as Chief Executive Officer and Managing Director of the Group.

(ii) Subsequent to year end during May 2022, 25 MW (1 region out of 4 regions) of the assam project was severely affected by floods and other climatic hazards and was not operation from May 2022 to February 2023. The cost of restoration work was approx. INR 2,100 lakhs and total admissible insurance claim was INR 3,920 lakhs including business interruption. The Group considered these events to be a force majeure under the PPA and the Group formally informed the force majeure event to offtaker i.e. Assam Power Distribution Company Limited ("APDCL") vide our letter dated May 17, 2022. There is no formal acceptance of force majeure from APDCL, however, there is no penalty imposed for this period due to non-availability of plant.

(iii) Subsequent to the year end, group has entered into the settlement agreement dated May 11, 2023 with one of the vendor (Risen Energy Co., LTD.) pursuant to which the vendor has agreed to pay INR 6,065 lakhs in three installments as mentioned below due to failure to supply the modules at the price agreed in sale agreement dated September 24, 2020 which was latest amended on March 23, 2021.

Period of Installments	Amount in USD (in lakhs)	Amount in INR (in lakhs)
Quarter 3 of 2023	20	1,516
Quarter 4 of 2023	20	1,516
Quarter 1 of 2024	40	3,033

The above amount are converted from USD to INR by considering the exchange rate of INR 75.81 to USD as at March 31, 2022.

(iv) Basis the discussions with the customer, one of the subsidiary having 50 MWs project with Bangalore Electricity Supply Company"(BESCOM) expects to receive the outstanding dues in 48 equitable installments starting from August 2022 in the form of EMI's as per mutually agreed plan between parties.

(v) Subsequent to the year-end on December 6, 2022, the Group has received favourable enforcement order in relation to its Karnataka 100 MWs project from Karnataka Electricity Regulatory Commission in continuation with its earlier order dated March 29, 2022, directing oftakers to settle the dues relating to safe guard duty refunds. Basis the enforcement order, the oftakers have agreed to settle the dues in lump-sum payment and in form of incremental tariff through supplemental PPA, respectively. The Group have also received the lump-sum amount from the oftaker and is in the process of execution of Supplemental PPA with the oftaker.

(vi) The Ministry of Power has notified Electricity (Late Payment Surcharge ("LPS") and Related Matters) Rules, 2022 through a notification dated 3 June 2022. The rules prescribe the manner in which the customer shall clear outstanding dues in EMIs ranging between 12 and 48 months, pertaining to generating companies. In line with the notification, the customers has agreed to pay the outstanding dues in 12-48 equitable monthly installments starting from August 2022. The Group has subsequently received payments in the form of EMI's as per the plan mutually agreed between both parties.

(vii) Azure Power (Raj.) Private Limited had entered into Power Purchase Agreement with Hubli Electricity Supply Company Ltd ("HESCOM") on January 9, 2015 to commission 40 MW Solar Power project by January 8, 2016. The Company commissioned and received the Commission Certificate on March 26, 2017 (within the extension period allowed). HESCOM, had passed an order for the reduction in tariff from 6.93 per kWh to 6.51 per kWh which was challenged by the Company had filed a petition before Karnataka Electricity Regulatory Commission ("KEREC"). Subsequent to the year end, the Company has received an order dated January 04, 2023 from KEREC, which has allowed the petition and has directed HESCOM to pay the differential tariff between INR 6.93 per unit and INR 6.51 per unit from the date of commissioning. Accordingly, the Company has recognised the said revenue amounting to INR 1,362 lakhs in books of accounts for the year ended March 31, 2022, as the virtual certainty with regard to the collection of the revenue is now established.

58. In relation to our 10 MW project in Gujarat, Gujarat Urja Vikas Nigam Limited ("GUVNL") had filed a petition before the Gujarat Electricity Regulatory Commission ("GERC"), seeking reduction in our PPA tariff from INR 12.51 KWh as determined by GERC under Section 62 of the Electricity Act, 2003 to INR 8.15 KWh. While GERC and the Appellate Tribunal for Electricity ("APTEL") dismissed the claims made by GUVNL, an appeal filed by GUVNL against the order of APTEL is pending before the Supreme Court of India, which came up last for hearing on August 23, 2017, and is pending since then.

59. As per the Bond Indentures, some of the Group Companies, in conjunction with the other members of the restricted groups (collectively referred to as 'Restricted Group-II' and 'Restricted Group-III'), are required to submit their respective Combined Annual Financial Statements within 30 days following the submission of financials by Azure Power Global Limited ('APGL' or the 'Holding Company') to the Securities Exchange Commission ('SEC'). However, if the Holding Company is not registered with SEC and the Common Stock of the Holding Company is not listed for trading on an internationally recognised stock exchange, the Holding Company has a window of 120 days post the fiscal year-end to file these financials.

Pursuant to various whistle blower complaints received by the Group, there have been significant delays in submission of the annual financial statements of the Holding Company. Accordingly, on July 13, 2023, the Holding Company received a delisting notification from the New York Stock Exchange ('NYSE'), indicating the decision to delist its equity shares. However, the Company believes, based on the legal advice received from its counsel, that the said delisting did not have any impact on the above-mentioned covenant, as the Holding Company continued to be a registrant with the SEC and continue to file reports with the SEC. The Holding Company subsequently filed it's 20-F on October 13, 2023 and the Company submitted the Combined Annual Financial Statements of Restricted Group-II and Restricted Group-III on November 10, 2023. Further, On October 31, 2023, the NYSE filed a Form 25 notification of removal from listing with the SEC.



Azure Power India Private Limited**Notes to consolidated financial statements for the year ended March 31, 2022**

(INR amount in lakhs, unless otherwise stated)

Subsequently, on December 8, 2023, Azure Power Energy Limited and Azure Power Solar Energy Limited amended the Bond Indentures pursuant to the receipt of consents from 99.13% and 99.30% of the bondholders in Restricted Group-II and Restricted Group-III respectively, to submit the Holding Company's financial statements for the fiscal year ended March 31, 2023 on or before April 30, 2024; and (ii) the Holding Company's semi-annual report for the six months ended September 30, 2023 on or before June 30, 2024. For subsequent periods, the Holding Company's (i) annual financial statements shall be submitted within 120 days after the end of each fiscal year; and (ii) semi-annual financial statements shall be submitted within 90 days after the end of each semi-annual period. The bondholders also confirmed that there was no Default or Event of Default on the basis of a breach or alleged breach of the above reporting requirement.

60. The Group has 26% interest in Premier Energies International Private Limited and Waaree Power Private Limited, which are involved in the manufacturing of Solar Cells and Modules in India. Premier Energies International Private Limited and Waaree Power Private Limited are private entities that are not listed on any public exchange. The Group's interest in Premier Energies International Private Limited and Waaree Power Private Limited is accounted for using the equity method in the consolidated financial statements. The following table provides the summarised financial information of the Group's investment in Premier Energies International Private Limited and Waaree Power Private Limited:

Particulars	As at March 31, 2022	As at March 31, 2021
Current assets	219	8
Non-current assets	5,701	15
Current liabilities	(201)	(72)
Non-current liabilities	(2,187)	-
Equity	3,533	(49)
Group's Share in equity-26% (Financial Year 2020-21: 100%)	937	(13)
Group's carrying amount of the investment	937	(13)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Total Income	-	-
Other expense	(19)	(2)
Loss before tax	(19)	(2)
Income tax expense	-	-
Loss after tax	(19)	(2)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	-	-
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	-	-
Total comprehensive expense for the year	(19)	(2)
Group's share of loss for the year	-	-

The associate company has capital commitments amounting to INR 8,178 lakhs as at 31 March 31, 2022 (As at March 31, 2021 INR Nil).

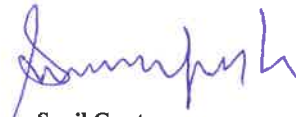
As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm registration number: 105047W

For and on behalf of the board of directors of
Azure Power India Private Limited
CIN: U40106DL2008PTC174774



Piyush Maheshwari
Partner
Membership No: 516964
Place: Gurugram
Date: 12/1/24

Sunil Gupta
Managing Director
DIN: 07095152
Place: GURUGRAM
Date: 12/01/24



Sugata Sircar
Director
DIN: 01119161
Place: GURUGRAM
Date: 12/01/24




Kapil Sharma
Company Secretary
Place: GURUGRAM
Date: 12/01/24